Responses, relationships and responsibility:

Examining influences on

organisational assets during crisis

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Statement of Original Authorship

The work contained in this thesis has not been previously submitted to meet requirements for an award at this or any other higher education institution.

To the best of my knowledge and belief, the thesis contains no material previously published or written by another person, except where due reference is made.

Signed: QUT Verified Signature

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Abstract

For organisations in crisis, an effective response is central to their ability to protect their stakeholder relationships and minimise the financial and resource penalties that may be incurred post-crisis. Calls have been made within the academic and practitioner literature in public relations for a better understanding of how an organisation's response during a crisis event affects its reputation and legitimacy. In particular, those calls focus on a clearer mapping of what factors might help or hinder the outcomes of this response (see for example, Benson, 1988; Coombs & Holladay, 2001; Ihlen, 2010, Massey, 2001).

This study works within one of the major crisis management paradigms, the Situational Crisis Communication Theory (SCCT) developed initially by Coombs and Holladay (2001). Based on the SCCT model, the goal of this current study is to refine the theory's explanatory power on the influences of organisational and environmental factors at the time of a crisis event and to unpack the scope and limitations of the protective powers of an organisation's response. In particular, it focuses on the ability of an organisation's relationship history to change or intensify the frame through which the crisis event and the organisation's response is assessed. This frame has the potential to influence stakeholder perceptions of an organisation's responsibility for different crisis events and subsequent judgments on its reputation and legitimacy.

Previous crisis research in stakeholder relationships has focused on evaluative quality, however, such positive and negative relationships are built over time. Research in organisational studies has demonstrated that new organisations have limited stakeholder relationships, thereby placing them at risk of challenges to their legitimacy (Aldrich & Fiol, 1994). Thus, an organisation's age may play an important part in understanding the quality of its relationships with the external community. The liability of newness (Hannan & Freeman, 1989) may be compounded during a time of crisis when legitimacy is challenged, therefore, organisational age may be an important situational factor for crisis managers to consider (Rhee and Valdez, 2009). This study investigates whether an organisation's age has this effect during a crisis and whether this interacts with the evaluative quality of an organisation's stakeholder relationships (relationship character) to

strengthen or weaken any intensifier effect. If this effect is demonstrated, it would suggest new organisations with poor stakeholder relationships should enact different crisis responses than mature ones with positive relationships to achieve better stakeholder support following a crisis.

This study works within a positivist experimental framework to test the influences of an organisation's response strategy and its relationship history in different crisis events on stakeholder perceptions of its reputation and legitimacy. In particular, it assesses how these perceptions are influenced by judgments of the organisation's responsibility for the crisis event. It uses a pre- and post-testing methodology to systematically interrogate the changes in stakeholder perceptions as new information becomes available to better understand the influence of each organisational and environmental variable on the basic propositions of the SCCT model. This methodology is then used to consider the intensifier effect of relationship history and its effect on strategy outcomes. This study incorporates the measurement of changes in reputation as well as legitimacy, recognising the importance of both these intangible assets to an organisation.

Four stages of research incorporating six interrelated experimental studies with student samples were used to address the different foci for the project. Stage One tested the impact of organisational response strategy on reputation and legitimacy in different crisis situations categorised into crisis clusters. The role of responsibility in mediating this relationship was also considered. Stage Two focused explicitly on the variable of organisational responsibility for the crisis event given its centrality to the SCCT model. The third stage tested the impact of the potential intensifier of relationship history. The two attributes of relationship history (relationship character and organisational age) were considered separately and tested for their impacts on crisis responsibility, organisational reputation and legitimacy. Having established the impact of the separate independent variables of crisis cluster, strategy and relationship history in the first three stages, Stage Four examined the hypothesised interaction of all of the independent variables to ascertain the presence and impact of the predicted intensifier effect of relationship history and to better understand the role of responsibility in stakeholder judgments on reputation and legitimacy.

Combined, the findings of the six experiments illustrate the specific damage to reputation and legitimacy from different crisis events and the intensity of this damage based on the conditions of the event. In the absence of an intensifier effect, the SCCT recommended approach to strategy selection resulted in no further damage to an organisation's reputation and legitimacy once the crisis event occurred, however, the recommended response strategies were not able to repair the damage. The results from this study suggest limited differences in outcomes for non-recommended strategies in the absence of further information about the organisation. This lack of impact appears to be tied to the limited effect of organisational strategy to influence judgments of crisis responsibility. A strong association between organisational responsibility and judgments on reputation and legitimacy was established throughout the study.

From the results, a continuum of the intensifier effect of relationship history was developed. A positive relationship character was beneficial to an organisation both before a crisis and following one. While not as important prior to a crisis event, the influence of organisational age on reputation and legitimacy became apparent once the crisis event occurred. Maturity provided protection to the organisation. An interaction effect was established for these attributes with maturity and positive relationships forming a positive frame through which the crisis event was perceived. In contrast, newness and negative relationships formed a negative frame.

The positive intensifier effect of relationship history strengthened the reparative powers of the response strategies within the SCCT. This benefit appeared mostly linked to the ability of the relationship character attribute of relationship history to influence judgments on responsibility. The negative intensifier effect created a very strong negative frame through which the organisation was seen and this countered the recommendations for effective strategy selection within the SCCT.

Recognising its stated limitations, this study provides further explanatory depth to the explication and refinement of the SCCT model and the protective and reparative capacities of different response strategies in particular circumstances. The findings contribute to a stronger understanding of relationships identified in the model and provide guidance for crisis managers on effective response selection.

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Chapter 1 An Introduction

Significant resources are applied within modern organisations to detect and prevent crises given the high risk to organisational survival that comes with such events. According to Coombs (1999), these resources are devoted to such tasks because, 'the best crisis is the one that is avoided' (p. 125). However, organisations increasingly face the reality that crises will and do happen, despite the best planning. For these organisations, an effective crisis response is central to their ability to protect relationships with their stakeholders and minimise the financial and resource penalties that may be incurred post-crisis. Responding effectively can protect the organisation from further damage and may even lead to opportunistic benefits. However, an ineffective response can lead to serious consequences for the organisation, which at the extreme, may threaten its continued operations.

Background to the Research Problem

Given the high stakes in effective resource commitments for crisis management, calls have been made within the academic and practitioner literature in public relations for a better understanding of how an organisation's response during a crisis event affects its reputation and legitimacy. In particular, those calls focus on a clearer mapping of what factors might help or hinder the outcomes of this response (see for example, Benson, 1988; Coombs & Holladay, 2001; Coombs, 2004, 2006; Ihlen, 2010, Seeger et al, 1998; Massey, 2001). Further explication of the impact of crisis response is necessary as current studies are limited (Coombs & Schmidt, 2000; Coombs, 2006, McDonald, 2005; Pace et al, 2010, Claeys & Cauberghe, 2012) and contradictory (Bradford & Garrett, 1995; Dean, 2004; Kim et al, 2009; Lee, 2004). This study helps refine our understanding of the influence of crisis response strategies used in particular crisis situations on stakeholder perceptions of an organisation's reputation and legitimacy, and the role organisational responsibility for the crisis plays in shaping those perceptions.

The presence and influence of co-varying organisational and environmental factors at the time of a crisis event suggest that the effectiveness of crisis response is situational. In these terms, certain organisational attributes and the specific nature of the crisis event affect stakeholder perceptions of organisational action and

responsibility and, therefore, the outcome of any response. The recognition of these influencing factors and the calls for a better understanding of their impact led to the development by Coombs and Holladay (1996) of the Situational Crisis Communication Theory (SCCT) that seeks to provide predictive advice to crisis managers in different crisis situations. At the heart of the SCCT model is the proposition that different crisis events lead to different levels of stakeholder attribution of responsibility for that crisis. These events can be grouped together in crisis clusters based on these levels of responsibility. Further, SCCT suggests crisis managers should use these clusters as a guide and try and match the level of attributed responsibility when selecting a response strategy. Hence, the model recommends 'matched' strategies for use at different times and dissuades crisis managers from using other 'mismatched' strategies. While there is increasing research within this frame, it is widely acknowledged (Coombs, 2010; Coombs & Holladay, 2010, Fediuk et al, 2010) that considerably more research is needed on the interactions and effects of the component parts of the SCCT to improve its predictive powers.

Organisational attributes within the SCCT model to date have been operationalised through the overarching construct of performance history that may affect perceptions of the crisis event or the organisation, or both (Coombs & Holladay, 2001). A multi-dimensional construct, performance history includes a consideration of financial performance (operating history), any previous crises the organisation has experienced (crisis history) and an examination of its past relationships with key stakeholders (relationship history). This last construct has particular importance for the study of public relations which is largely predicated on managing relationships between an organisation and its various stakeholders (Cutlip et al, 2010; Ledingham & Bruning, 1998; Bruning & Ledingham, 2000). Through this lens, a crisis is viewed as an episode in a larger relationship between an organisation and its stakeholders (Coombs, 2000). Any preceding relationships and post-crisis relationships become important in understanding the overall organisation-stakeholder relationship.

The limited studies to date on relationship history in crisis (see for example Brown & White, 2011; Coombs & Holladay, 2001; Lyon & Cameron, 2004; Jeong, 2009) focus on relationship history as operationalised through the evaluative quality of

relationship character, that is, whether the organisation has positive or negative relationships with its stakeholders. Research in organisational studies has demonstrated the importance of stakeholder relationships to an organisation's survival (e.g. Hannan & Freeman, 1989). New organisations have limited stakeholder relationships, thereby placing them at risk of challenges to their legitimacy (Aldrich & Fiol, 1994). They are operating without the 'safety net of interorganisational linkages and trust' that comes with age (Kor & Misangyi, 2008, p. 1347) and have a higher risk of failure (Aldrich and Fiol, 1994, Singh et al, 1986). As organisations age, they are more likely to develop stronger exchange relationships and, consequently, come to have their actions endorsed by powerful collective actors, thus being more likely to be viewed as legitimate (Stinchcombe, 1968). New organisations are less likely to be seen among stakeholders as legitimate. Thus, an organisation's age may play an important part in understanding the strength and quality of its relationships with the external community prior to a crisis and may influence the perception of the organisation when a crisis event occurs.

The liability of newness (Hannan & Freeman, 1989) that operates on new organisations may be compounded during a time of crisis when legitimacy is challenged, therefore, organisational age may be an important situational factor for crisis managers to consider in planning their response strategies to protect organisational legitimacy. Massey (2004) provided some preliminary explanations on this link through his work on how different types of firms experience the impact of a crisis on their legitimacy but his focus was on specialist vs generalist organisations. Rhee & Valdez (2009) have also raised the variable of organisational age in their theoretical mapping of potential contextual factors impacting an organisation's reputation during a crisis event. This study adds explanatory depth to the current focus in crisis research on relationship character within the relationship history construct by considering the related influence of organisational age on levels of attributed responsibility, organisational reputation and legitimacy during crisis.

If situational factors such as relationship history are present during a crisis, Coombs (1998) suggests they may change or 'intensify' the attributions made by stakeholders during the crisis which could impact the outcomes for the organisation. This becomes an important consideration in the selection of an effective response strategy

as a previously recommended response (i.e. the match) may no longer have the desired effect. Early findings in the research literature suggest the relationship character aspect of relationship history may have an intensifier effect (see, for example, Coombs, 1998) albeit a weak one. This study furthers this line of research by considering whether an organisation's age has this effect during a crisis and whether this interacts with relationship character to strengthen or weaken any intensifier effect. If demonstrated, this would suggest new organisations with poor relationships with their stakeholders should enact different crisis responses than mature ones with positive relationships to achieve better stakeholder support following a crisis.

An understanding of the paths by which an intensifier effect works is emerging from empirical studies. Higher responsibility for a crisis event is generally linked with a less favourable organisational reputation (Coombs & Holladay, 2002; Lyon & Cameron, 2004; Verhoeven et al, 2012). Therefore, if situational factors change the attributions of responsibility, there should be a subsequent change to judgments on reputation. Earlier research favoured an indirect effect (Coombs & Holladay, 2001) through responsibility for this effect whereas later research favoured a direct effect on reputation (Coombs, 2006) without change to responsibility. More recent explanations have again implied a mediated effect through responsibility (Coombs, 2010). Further work is needed to better understand how people attribute crisis responsibility to an organisation given its central focus within crisis models such as the SCCT (Coombs, 2010) as well as other related models (An et al, 2011). Fediuk et al (2010) argue that crisis research needs to become more sophisticated in its modelling and investigate more causal and meditational analysis. This study responds to this call by directly investigating the mediation effect of responsibility within the SCCT framework to refine our understanding of the paths of influence.

When an organisation forms and uses its communication strategy to respond to a crisis event, it either implicitly or explicitly has an inherent goal for that communication. Fediuk et al (2010) have described crisis responses as persuasive communication designed to repair or re-establish organisational reputation and legitimacy and thus, the study of these responses should focus on how they impact the perceptions of the organisational stakeholders to whom they are addressed. Coombs, Frandsen, Holladay and Johansen (2010) suggest this requires a focus on

audience-oriented research (see for example, Jorgensen, 1996; Lee, 2004; Dean, 2004) as opposed to much of the earlier informal crisis research which focused on descriptive studies. Fediuk et al (2010) argue that the SCCT model, which is widely used by crisis researchers and represented in the crisis management literature, is more focused on identifying the choices for an organisation in crisis than identifying the impact of the choices made. They suggest the model helps to explicate when to use different strategy options but research to date within the framework has not largely shown what the impact of any choice will be. To assess impact, a change in methodological approach is needed with one suggested change being the introduction of pre- and post-testing of the dependent variables (Fediuk et al, 2010; Pace et al, 2010). By doing so, a richer understanding of the relationships among the constructs in the model can be achieved. Without greater explication of these relationships, Ihlen (2010) warns that existing crisis management tools will be ineffective in guiding managers facing future risks and crises.

This study responds directly to this call for a change in methodological approach. It uses a pre- and post-test methodology to confirm the basic propositions of the SCCT model concerning the influence of the crisis cluster on stakeholder perceptions of organisational responsibility and the matching of crisis strategy to a crisis cluster on the basis of these initial attributions. Having reaffirmed the foundations of the model, it further uses the pre- and post-test methodology to extend the SCCT model to consider the particular area of interest of the intensifier effect of relationship history and its effect on strategy outcomes. This study also incorporates measurement of changes in legitimacy as well as changes in reputation, recognising the importance of both these intangible assets to an organisation. This provides further explanatory depth to the current explication of the SCCT model.

This study is informed by four major research streams:

1) the influence of crisis response on organisational outcomes post- crisis (Brocato et al, 2012; Claeys et al, 2010; Claeys & Cauberghe, 2012; Coombs, 2004, 2006; Lee, 2004; Lyon & Cameron, 2004; Verhoeven et al, 2012),
2) the importance of pre-crisis organisational attributes on post-crisis organisational outcomes (Brown & White, 2011; Coombs & Holladay, 1996; Kim et al, 2009; Lyon & Cameron, 2004; Rhees & Valdez, 2009),

3) the impact of the liability of newness on organisational outcomes (Hannan & Freeman, 1989; Singh et al, 1986) and
4) the organisational impacts of challenges to legitimacy in a crisis situation (Elsbach, 1994; Massey, 2004; Suchman, 1995).

The relevant literatures from these streams are reviewed and gaps identified to progress research into more effective response models with which to better guide managerial decision-making during a crisis event.

Establishing the Research Problem and Research Questions

This thesis is guided by the overall research problem:

> *How does an organisation's selection of a crisis response strategy and that organisation's relationship history influence stakeholder perceptions of its responsibility in different crisis situations, and, subsequently, its intangible assets of reputation and legitimacy?*

From this central problem, a range of research questions were derived to guide each stage of the overall research project. These research questions are:

Research Question 1

How do crisis response strategies used in response to crises from different crisis clusters influence stakeholder perceptions of organisational reputation and legitimacy?

Research Question 2

How does responsibility mediate the influence of response strategies used during crises from different clusters on stakeholder perceptions of organisational reputation and legitimacy?

Research Question 3

How does an organisation's responsibility for a crisis affect stakeholder perceptions of its reputation and legitimacy?

Research Question 4

How does an organisation's relationship history with its stakeholders influence stakeholder perceptions of its reputation and legitimacy?

Research Question 5

How do stakeholder perceptions of an organisation's responsibility mediate the influence of its relationship history on its reputation and legitimacy?

Research Question 6

How does an organisation's relationship history and its response to a crisis from different crisis clusters influence stakeholder perceptions of its reputation and legitimacy?

Research Question 7

How does responsibility mediate the influence of an organisation's relationship history and its response to a crisis from different crisis clusters on stakeholder perceptions of its reputation and legitimacy?

An Overview of this Study's Research Methodology

Based on the research questions posed and previous empirical work in related areas (see for example, Brocato et al, 2012; Coombs & Holladay, 2001; Coombs & Schmidt, 2000; McDonald, 2005; Verhoeven et al, 2012), this study works within a positivist experimental framework to test the hypothesised causal relationships among the factors under study. Four stages of research incorporating six interrelated experimental studies were planned to address the different foci for the project. While each stage was designed to meet a specific set of objectives, the first three stages also acted as pilot studies for the successful manipulation of the independent variables in the stimuli material used in the final stage, and for testing the reliability of the scales for the measured variables of reputation, legitimacy and responsibility.

Stage One comprised three experiments to test the impact of organisational response strategy on stakeholder perceptions of reputation and legitimacy in different crisis situations. The role of responsibility in mediating this relationship was also considered. Stage Two focused explicitly on the variable of responsibility given its

centrality to the model. One experiment was undertaken where crisis responsibility was manipulated as an independent variable to ascertain its impact on organisational reputation and legitimacy. The third stage then shifted the focus to the contextual environment during crises (Rhee & Valdez, 2009), testing the impact of the potential intensifier of relationship history. Stage Three involved one experiment where the two attributes of relationship history (relationship character and organisational age) were considered separately and tested for their impacts on crisis responsibility, organisational reputation and legitimacy. Having established the impact of the separate independent variables of crisis cluster, strategy and relationship history in the first three stages, Stage Four examined the hypothesised interaction of all of the independent variables to ascertain the presence and impact of the predicted intensifier effect of relationship history and to better understand the role of responsibility in stakeholder judgments on reputation and legitimacy.

A nonprobability sampling strategy was used for all experiment in this project, drawing from students across a diverse range of disciplines at four major Australian universities. Approximately 1,600 students participated in the study, with sample sizes for each of the six experiments ranging from 107 – 559. The students represented the non-victim audiences of a crisis event. While victims have an intimate link with the crisis situation and are generally well informed of the specific nature of the crisis event, non-victim stakeholders are likely to have much less specific knowledge and interest in the crisis event, however, their post-crisis impact on the organisations in crisis can be just as important as that of victims. In addition, there are usually more non-victims than victims so their views can have a major effect.

The use of student cohorts follows the crisis response studies of Massey (2001), Coombs (2004), Coombs and Holladay (1996), Dean (2004), Haigh and Brubaker (2010), Haigh and Dardis (2008) and Pace et al (2010). While caution is always needed in utilising students as representatives of the broader community given the different demographic and psychographic characteristics of each group, Coombs (2004) and Lyon and Cameron (2004) found limited difference between students and community members in their tests of crisis model experiments.

The experiments used a multi-factorial design approach to allow the examination of the simultaneous effects of more than one independent variable (Neuman, 2006). A pre-test post-test design (Campbell & Stanley, 1963) was used within this framework to explicate the causal factors and to better explain the change in stakeholder judgments in light of new information which has been identified as important for further theoretical development within the crisis literature (Haigh & Brubaker, 2010; Pace et al, 2010). Written stimuli in the form of media articles were used across the different experiments. The media articles included relevant information on a hypothetical food manufacturing company used for this study (BellaFoods Pty Ltd), the crisis events experienced by the company and their response to the crisis event. After reading each media article, the participants completed a questionnaire. The questionnaires contained items to measure reputation, legitimacy and responsibility as well as manipulation checks for the independent variables and questions to capture basic demographic information to help describe the sample.

Ethics approval was sought and achieved prior to the collection of any data. Participation in the study was completely voluntary with participants free to withdraw at any point.

Data from each of the experiments was entered into SPSS Version 19. Descriptive statistics, correlation analysis and a series of multivariate and univariate analysis of variance measures (ANOVA/MANOVA) and co-variance measures (ANCOVA/MANCOVA) were used to test the relevant hypotheses for each experiment.

Theoretical Contributions and Managerial Implications from this Study

This study seeks to make a number of specific theoretical contributions to the ongoing development of one of the dominant models in crisis communication and the refinement of our understanding of the relationships between organisational and environmental conditions contained within the model. Firstly, this study will address the calls for a better understanding of how stakeholders perceive a company's response during crisis by looking at changes in stakeholder assessments over time (Fediuk et al, 2010; Pace et al, 2010). The methodological approach used in this study will assess directly the protective capacity of the organisational response. This assessment will show whether the strategy mitigates or aggravates the damage

caused by the crisis event (Rhees & Valdez, 2009) and whether similar or different outcomes are established across different crisis events and when used by organisations with different backgrounds. In doing so, this study is building on the theoretical development of response strategy researchers such as Bradford and Garrett (1995), Coombs and Holladay (1996), Coombs and Schmidt (2000), Dean (2004), Lee (2004, 2005) and Lyon and Cameron (1998, 2004) who have mapped out the initial influence paths used in common crisis models.

Secondly, this study will reassess the accepted notions within the Situational Crisis Communication Theory (SCCT) of matched versus mismatched strategies and their impact on reputation and extend the model to assess whether the same theoretical matching of strategy can be applied to protect an organisation's legitimacy. Reputation and legitimacy have been theoretically defined as distinctive constructs (Deephouse & Suchman, 2008; Staw & Epstein, 2000), however, most testing within crisis models such as the SCCT focus on reputational outcomes. Given the increasing focus within the public relations discipline on legitimacy management (Bartlett et al, 2007; Holmstrom, 2005) and the suggestion of An et al (2011) that organisations select response strategies 'not only to minimize organisational crisis responsibility and damage to the organisation's reputation, but also to re-establish the organisation's legitimacy' (p. 71), the analysis of this path of influence is of interest to crisis researchers and managers.

Thirdly, this study will help progress the understanding of the role of organisational responsibility for a crisis in stakeholder judgments of an organisation's reputation and legitimacy. While the logic of many of the crisis response models implies mediation through responsibility, there has been limited empirical testing of this specific relationship. Fediuk et al (2010) have called for a greater research focus on the role of mediators in crisis models to better understand the complexity of decision-making during crisis.

Finally, this study will respond to the call for more consideration to be given to the role of intensifiers in strategy selection (Coombs & Holladay, 2001; Crandall et al, 2010). This study focuses on the crisis intensifier of relationship history but extends its current representation in the crisis literature as an organisation's relationship with the community to also include the influence of an organisation's

age. Organisational age has been identified as both an asset and a liability to an organisation (Stinchcombe, 1968), thus, it is important to ascertain the impact of this construct during a crisis situation and how this factor might strengthen or weaken stakeholder assessments of an organisation's response (Rhees & Valdez, 2009) with a subsequent effect on its reputation and legitimacy.

In terms of management practice, this study will provide crisis managers with a greater understanding of the potential outcomes of different crisis response strategies based on specific characteristics of their organisation and the crisis they are facing. This knowledge should help to reduce the risk of inappropriate strategy selection and thereby better protect the organisational assets of reputation and legitimacy.

Navigating the Thesis

Chapter 2 of this thesis reviews relevant literature to establish the importance of crisis management as a field of inquiry and contextualise the danger that crisis events bring to the organisational assets of reputation and legitimacy. The established crisis model of Situational Crisis Communication Theory (SCCT) and related emergent models that explore contextual factors for organisations in crisis are considered and the need for a stronger understanding of the impact of organisational response in a crisis event established. The identified contextual factors that change or intensify the conditions under which stakeholders make judgments on organisational reputation and legitimacy are reviewed, drawing from theoretical modelling by crisis researchers and reported empirical studies. The contextual factor of relationship history as a potential intensifier is discussed in depth and the benefit of considering relationship history as a multi-component construct which brings together organisational age and an organisation's relationships with the community established. Relevant literature on the role of organisational responsibility as an influencing factor in stakeholder judgments during crisis events is also reviewed, confirming the need for greater clarification for a potential mediation role for responsibility.

Chapter 3 outlines in detail the research methodology used for this study. It explains the overall research design and research instruments used, as well as the analysis strategy applied to determine the results. Ethical considerations and research limitations for this study are also addressed.

Chapters 4 – 7 outline the main research results from the six experiments in this study, addressing the relevant research questions and hypotheses for each experiment. Each experiment is described in detail including the sample used, the success of the various manipulation checks for independent variables and reliability measures for the dependent variables. The strength of support for each hypothesis is established and implications for future experiments in the series considered. Chapter 4 focuses on the three experiments within Stage One which test the basic propositions of the SCCT model on match vs mismatched strategy across different crisis clusters using the pre and post-crisis methodology of this study. Chapter 5 reports on Stage Two where the role of organisational responsibility in stakeholder assessments of reputation and legitimacy was investigated. Chapter 6 outlines the results for Stage Three which focused on the potential intensifier of relationship history, treating the subattributes of relationship character and organisational age separately. Chapter 7 reports the results for the Stage Four experiment which tested the separate factors under investigation in the previous stages - crisis cluster, response strategy and relationship history (relationship character; organisational age) – to identify interaction effects and the mediating role of responsibility.

Chapter 8 brings together the relevant literature from Chapter 2 and the results from Chapters 4-7 to discuss the similarities and differences in findings across the six mini-studies. In doing so, it addresses the seven research questions that guided this study. Conclusions are drawn on the influence of a company's organisational response and its relationship history on stakeholder judgments on its reputation and legitimacy during different crisis events and the role organisational responsibility plays is explained. The theoretical contributions of this study are highlighted and the implications for practice established. Further avenues for research in the field are discussed and the limitations of this study noted.

Conclusion

Planning and implementing an effective crisis response during a period of uncertainty is a critical goal for crisis managers. This study responds to calls from the academy and industry for more empirical testing of the foundations on which crisis response models are built and progresses our understanding of the factors that influence the effectiveness of such models. This chapter has outlined the background

to this study by establishing the importance to organisations of effective crisis response models and the factors that influence their effectiveness, and highlighting the need for more research in this area. The research problem and research questions were identified and the research approach explained. The major contributions for this study have been identified while recognising the project's limitations.

Chapter 2 Review of Relevant Literature

Introduction

This literature review synthesises previous research that informs contemporary crisis response models within the disciplines of public relations and management. Specifically, this discussion outlines key concepts critical to the overall research problem around which this study is organised:

How does an organisation's selection of a crisis response strategy and that organisation's relationship history influence stakeholder perceptions of its responsibility in different crisis situations, and, subsequently, its intangible assets of reputation and legitimacy?

This review presents and analyses relevant literature, and identifies and documents important gaps in those literatures. These are addressed through seven specific research questions. This review also presents the hypotheses that were tested in this study.

As outlined in Figure 1, the review firstly confirms the importance of crisis management in contemporary organisations to protect their competitive positions. Next, it demonstrates the growing importance of the intangible assets of reputation and legitimacy to organisations and the threat to such assets during crisis. The review then considers four major factors that have been identified in the literature as influencing stakeholder perceptions of an organisation in crisis and are relevant to the development of effective crisis response models. These factors include the crisis event experienced by the organisation, its actual and perceived responsibility for such a crisis and its subsequent response to the crisis. The theoretical links among these first three factors and their impact on stakeholder perceptions of organisational reputation and legitimacy will be discussed in the context of contemporary crisis response models. Finally, relevant literature on the fourth major factor - the situational factor of performance history as operationalised in this study through an organisation's relationship history with its stakeholders - is reviewed. This factor is considered in terms of how the presence of a situational factor may change stakeholder perceptions of the crisis event and the subsequent organisational

response and thereby influence the effectiveness of that response in protecting intangible organisational assets in a crisis event.

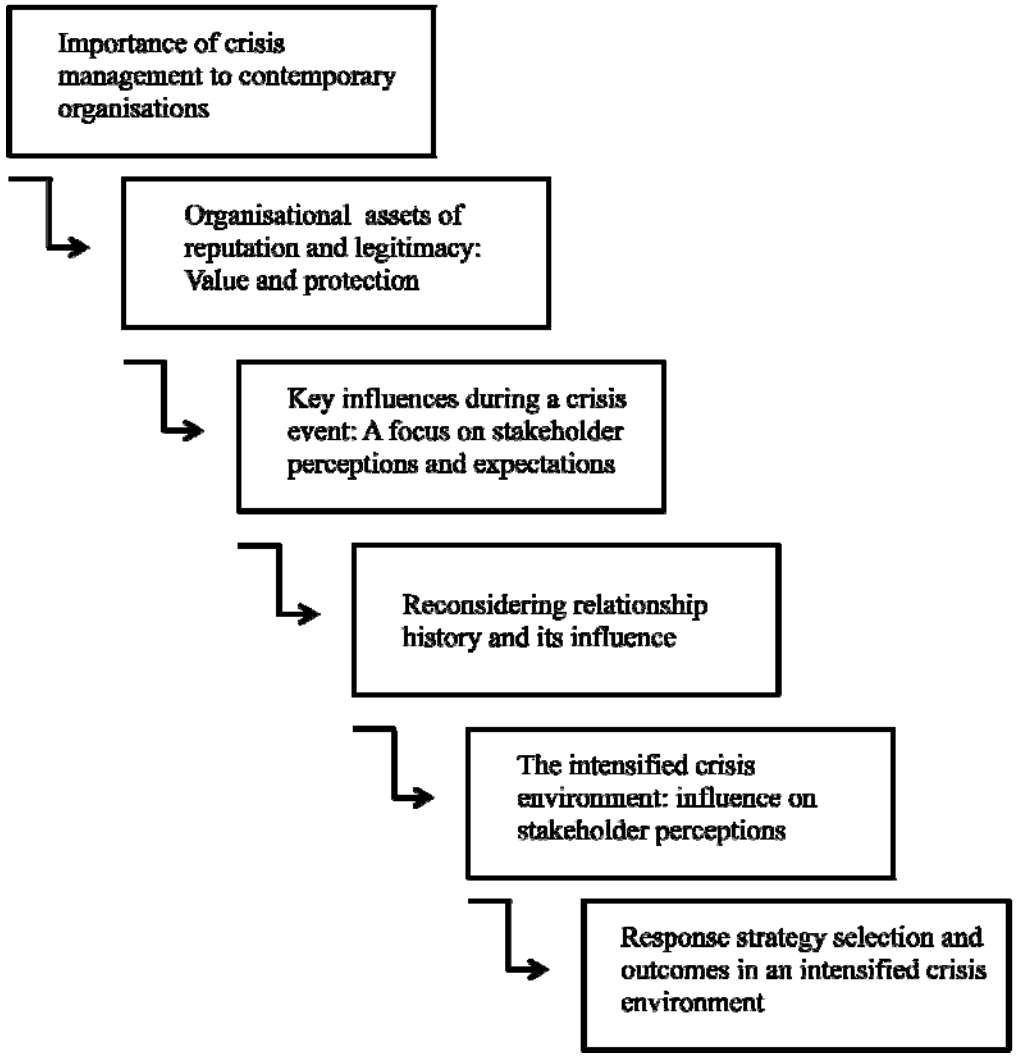

Figure 1: Overview of literature review

The Importance of Crisis Management to Contemporary Organisations

Given the high cost of failure for organisations involved in dealing with crisis, significant attention has been paid within the public relations discipline to crisis management over the past twenty years. While the risk of experiencing a crisis has not necessarily increased, the potential damage from one has, given the growth in technology-led global information transfer. This has led organisations to focus more on their crisis planning and decision-making. Both danger and opportunity, the two words reflected in the Chinese characters for crisis (Dowling, 2002), are abundant in

times of crisis, perhaps leading to organisational failure (Lerbinger, 1997) or organisational renewal (Fall & Massey, 2005; Ulmer & Sellnow, 2002). For many organisations, the crisis situation represents a significant turning point (Fink, 1986) and the decisions made by the organisation during the early stages of a crisis will guide it towards either the possibility of a desirable or an undesirable outcome (Coombs & Holladay, 2009; Hermann, 1963; Pauchant et al, 1991; Sarstedt, 2009).

Decision-making is the essence of crisis management (Fink, 1986). Tracing its roots back to the Greek word, "krisis" which means decision (Laufer, 2007), crises have been described frequently as 'occasions for decisions' (Rosenthal, 1991, p. 17). Crisis decision-making involves the 'strategic selection of public announcements and policy decisions made by the organisation to alleviate a crisis and restore public confidence' (Williams & Olaniran, 1994, p. 8). As such, crisis managers must make decisions on both the operational and communicative components of a crisis response, often during times of uncertainty and intense pressure to act quickly (Coombs, 2007b). Recognising this dynamic nature, Coombs and Holladay (2009, p.119) describe the crisis situation as a 'mosaic', the composition of which is still being identified through contemporary crisis research. It is the communicative components of the crisis response which is the focus of this study.

Organisational Crises Defined

An organisational crisis is defined as an unexpected, nonroutine event that creates uncertainty and threatens an organisation's priority goals (Seeger, Sellnow & Ulmer, 1998) or its very survival (Lerbinger, 1997). The crisis can represent an actual threat to the organisation (Allen & Caillouet, 1994; Barton, 2000) or simply a potential threat (Lerbinger, 1997). The perceptual nature of crisis supports the co-creation aspects of public relations (Botan & Taylor, 2004) where meaning is socially constructed. Outside of physical harm and the disruption to operations, a crisis has the potential to do damage to an organisation's reputation through lowering perceptions of its trustworthiness (Coombs & Holladay, 1996) and by raising questions as to whether the organisation is conforming to the social expectations of stakeholders (Bansal & Clelland, 2004; DiMaggio & Powell, 1991; Heath et al, 2009) which thereby threatens its legitimacy.

These threats to organisational reputation and legitimacy during a crisis have been explored by a number of researchers in public relations and management. Lerbinger (1997) argues that the erosion of a company's reputation is the greatest danger in a crisis. Reputation is widely recognised as a valued resource (Winkleman, 1999; Roberts & Dowling, 2002; Walker, 2010) and has been rated in a number of studies as the most important intangible asset of an organisation (Gibson et al, 2006; Hall, 1993; Haywood, 2002). Given the value of reputation as an organisational asset, its potential erosion during a crisis should be of major concern and the crisis period brings significant challenges to an organisation's desire to stabilise any further damage to its reputation (Highhouse et al, 2009). Thus, reputation management is a critical goal for the organisation and serves as a foundational area in considering an organisation's crisis response.

To protect its reputation, an organisation needs to consider carefully its response to a crisis situation. It must recognise the importance of not only its own view on its response but the perceptions of its stakeholders (Dowling, 1994). Penrose (2000) highlights the importance of the public's perception of a crisis, suggesting that ultimately, such public perception is reality. Coombs (2009) reaffirms this position stating: "if stakeholders believe there is a crisis, the organization is in a crisis unless it can successfully persuade stakeholders it is not" (p. 99).

While a strong reputation may have the ability to somewhat 'immunise' an organisation (Raithel et al, 2010, p.389) prior to a crisis, its communicative response to the crisis can serve to limit and even repair the reputational damage (Sisco, 2010). A strategic communicative response can best protect the reputational resource by assessing the crisis situation and selecting a crisis response strategy that fits the crisis situation (Coombs & Holladay, 2002). Kim, Avery and Lariscy (2009) suggest though that, following a review of 18 years of published research in crisis communication, the 'bridge between theory and practice' (p.448) that would support such appropriate selection may not be as strong as would be expected. A study of media reports following chemical accidents in the United States (Holladay, 2009) goes further, suggesting that in many cases, no organisational spokesperson is featured, challenging not just the notion of an appropriate selection of strategy by organisations in danger but the position that any strategy was being selected at all. Ongoing empirical research with specific implications and advice to managers on the

outcomes of strategy selection is important to progress this field and close the gap between theory and practice.

Ulmer and Sellnow (2000) have conceptualised a crisis as a threat not only to an organisation's reputation but also to its legitimacy. To counter any loss of legitimacy, the organisation must re-establish congruency between the values implied by its actions and accepted societal norms (Dowling & Pfeffer, 1975). An organisation's underlying character is likely to be revealed in a time of crisis (More, 1995) and its response must demonstrate the importance of its underpinning organisational values. An organisation can use communication strategically as a response to legitimacy threats because corporate discourse shapes how stakeholders view an organisation (Allen & Caillouet, 1994; Bansal & Clelland, 2004; Crandall et al, 2010; Marcus & Goodman, 1991).

Over the last three decades, many authors (see for example, Caywood & Stocker, 1993; Fearn-Banks, 1996; Heath & O'Hair, 2009; Lerbinger, 1997, Regester & Larkin, 2008; Ulmer, Sellnow & Seeger, 2007) have provided operational frameworks for developing crisis preparation plans for organisations. These frameworks identify critical elements of crisis planning including assessing pre-crisis reputation, identifying organisational risk, preparing organisational resources for crisis response and implementing recovery and evaluation processes as part of post-crisis management. However, as Williams and Olaniran (1994) point out, there has been a strong focus in the academic and practitioner literature on providing prescriptive processes organisations should follow in crisis. This has been at the expense of a greater focus on exploring the fundamental complexities of crisis decision-making. The true value of crisis response guidelines cannot be realised unless appropriate decisions are made by organisations. In making these decisions, organisations need to consider the anticipated reactions of their stakeholders, not just their own concerns (Coombs, 2010). Specifically, this means that organisations need to be mindful of receiver-oriented versus sender-oriented crisis approaches (Coombs, Frandsen, Holladay & Johansen, 2010). This imperative requires empirical research with receivers of messages to better explore their reactions. This approach is the framework under which this study operates.

Benson (1988) challenged crisis researchers to thoroughly explore the variables that impact the effectiveness of a crisis response to ensure that contemporary organisations facing crisis can make informed decisions. With this research still in its infancy, Coombs and Holladay (2002) note that crisis researchers have only just begun to 'unpack how to use communicative responses to protect reputations' (p. 166). This study helps to inform this gap in public relations literature and practice by providing further evidence on which to better understand the stakeholder perceptions of an organisation's crisis response. In particular, it considers the impact of crisis response strategies used in different crisis situations on stakeholder perceptions of the organisational assets of reputation and legitimacy as well as the influence of judgments on organisational responsibility for the crisis event on these perceptions. It considers these influences in the context of an organisation's pre-crisis relationships with its stakeholders and how the presence of such relationship history may lead to different stakeholder perceptions and therefore, different outcomes for the organisation. Managing an organisation's response to a crisis is a complex management task and one that is undertaken within a high risk environment. Without further study, Ihlen (2010) suggests there is a danger that existing crisis management tools will be 'insufficiently sophisticated to grapple with risk and crisis in the 21st Century' (p. 101), thus further research to unpack the complex decision-making environment is needed.

Given this context of crisis management and response, this review now considers how the organisational assets of reputation and legitimacy, so valued by organisations, are developed and highlights the consequences of challenges to these assets during a crisis event.

The Organisational Assets of Reputation and Legitimacy

Increased competition in a globalised economy has demonstrated the need to identify drivers of sustainable competitive advantage (Schwaiger, 2004). This search is no longer restricted to tangible assets with organisations now increasing their attention on the intangible assets that provide a major contribution to their success or failure. Social capital theory argues that interpersonal and interorganisational networks are vitally important in enabling organisations to access needed resources that others control (Amburgey & Rao, 1996; Burt, 1992; Lin, 2002). Organisations that are

viewed as being accountable and reliable are likely to be highly sought in exchange relationships (Hager et al, 2004), hence the ever increasing focus on the organisational assets of reputation and legitimacy which are built from these constructs. These assets, like tangible assets, need to be established and maintained over the life of the organisation and, when trouble strikes, defended and rebuilt to re-establish the desired levels. Schwaiger (2004) argues that increasing an organisation's ability to create and exploit these intangible assets helps the organisation to drive its key markets, rather than to be market driven.

Corporate Reputation: Providing Immediate and Long-Term Benefits

Fombrun and van Riel (1997) define corporate reputation as an 'overall estimation of a firm's past actions and results that describes its ability to deliver valued outcomes to multiple stakeholders' (p. 6). A strong reputation is critical for modern organisations when competing for resources within a heavily populated environment. Public relations and management scholars suggest that a firm's reputation is an asset vital to its future economic success (Kitchen & Laurence, 2003; Weigelt & Camerer, 1998) and executives worldwide have identified corporate reputation as one of the most substantial drivers of corporate success (Dunbar & Schwalbach, 2001; Kitchen & Laurence, 2003; Schwaiger et al, 2009). Some management academics (see for example, Jones, Jones & Little, 2000) suggest that considerations of reputation are no less significant in today's complex business environment than those involved with operational, legal and financial decisions. While Argenti and Druckenmiller (2004) argue that organisations increasingly recognise the importance of their reputation, recent research suggests most organisations still do an inadequate job of managing their reputation and the associated risks that may damage it (Eccles et al, 2007; Sarstedt, 2009) . One recent research report (Heil & Whittaker, 2011) described the current environment as a state where 'corporate reputations lie all around us in tatters' (p. 1363).

Favourable reputations allow organisations to attract attention and resources from key stakeholders over and above their competitors (Boyd et al, 2010; Milgrom & Roberts, 1982). Favourable reputations also have been linked to a range of activities including purchasing of an organisation's products, investing in its shares, attracting top employee talent, motivating workers to achieve higher levels of productivity,

increasing job satisfaction and being recommended by other businesses (Alsop, 2004; Davies, Chun, da Silva & Roper, 2003; Deephouse, 2000; Dowling, 2002; Fang, 2005; Fombrun & van Riel, 2004; Hearit, 2001; Lerbinger, 1997; McCorkindale, 2008; Rhee & Haunschild, 2006; Schwaiger et al, 2009; Walsh et al, 2009). Such supportive behaviour can provide better access to capital markets which decreases capital costs (Beatty & Ritter, 1986), enhances customer retention and increase purchase rates (Klein & Leffler, 1981; Preece et al, 1995), allows price premiums (Milgrom & Roberts, 1986), reduces staff turnover and increases productivity (Nakra, 2000). All of this can create competitive barriers for organisations without such favourable reputations (Boyd et al, 2010; Deephouse, 2000; Fombrun, 1996; Milgrom & Roberts, 1982; Walsh et al, 2008) and supports the view of reputation as a 'potentially priceless asset' (Highhouse et al, 2009, p. 1481).

Within the public relations literature, reputation management is defined as the management of relationships between the organisation and its various stakeholders to build a strong reputation (Ledingham & Bruning, 1998). Organisational success is predicated on maintaining an effective balance in these relationships (Bruning et al, 2006; Donaldson & Preston, 1995; Rowley, 1997; Savage, Nix, Whitehead & Blair, 1991; Yang, 2007). This places considerable pressure on the reputation management function. In the early 1990s, reputation management was predicted to be the key focus of public relations (Patterson, 1993). However, reputation management has also been a key focus of scholarly work in a range of disciplines including economics, sociology, accounting and organisational studies (Fombrun & van Riel, 1997; Highhouse et al, 2009). While this work has advanced the interest in corporate reputation as an organisational asset, there is no general agreement on what a corporate reputation actually is (Barnett et al, 2006; Schwaiger; 2004; Sobol et al, 1992; Walker, 2010). Many definitions exist which increase the difficulty of comparing research in this 'multidisciplinary and disconnected' area (Highhouse et al, 2009, p.1481) and a major study of 27 years of reputation research found limited repeat citations for any one definition (Walker, 2010).

Weigert and Camerer (1988) emphasise the importance of past organisational actions by suggesting that reputation is a set of attributes ascribed to a firm inferred from these past actions. This reflects the etymological roots in Latin of reputation as 're-

putare' or 'to think back upon' (Deephouse & Suchman, 2008, p.70). By knowing about an organisation's past, we can make assumptions about its future. Such a 'think backward, act forward' position (Deephouse & Suchman, 2008, p. 70) is important to this study where the assessment of an organisation's relationship history potentially moderates the stakeholder perception of its crisis response.

Conceptualised through the Perceptions of Others

Walker (2010) notes that one of the key reputational attributes found across most major studies is that reputation is based on the perceptions of a range of stakeholders and, as such, is socially constructed (Berger & Luckmann, 1966). While the organisation may undertake considerable efforts to present itself in a positive light (Basdeo et al, 2006; Brooks et al, 2003; Highhouse et al, 2009), reputation is generally considered as 'an evaluation stakeholders make about the organisation' (Coombs, 2007b, p. 24), and as such is not completely under anyone's control (Walker, 2010). Hall (1992) extends these definitions by suggesting that reputation consists of the knowledge and emotions held by individuals about the organisation. Recently this approach has been refined by Schwaiger (2004) who suggests that reputation has a cognitive component of competence and an affective component of sympathy. He suggests performance aspects drive competence whereas organisational responsibility for particular actions has a positive impact on sympathy. This highlights the influence of both corporate communication and corporate behaviour on stakeholder assessments (Raithel et al, 2010). A major multistakeholder study of large German firms before and after the financial crisis of 2008 using primary and secondary data sources showed that the emotive or affective component of corporate reputation was at least as important as the cognitive component in understanding the protective nature of corporate reputations (Raithel et al, 2010).

In groups such as the general public, the affective component becomes even more important as these heterogeneous groups are less likely to be abreast of key information drivers when compared with specialist groups such as investors or opinion leaders. Thiessen and Ingenhoff (2011) have supported this multi-dimensional concept of reputation in their work towards a systematic integrative crisis communication framework, highlighting the cognitive-functional, the

cognitive-social and the affective-emotional reputational dimensions. Given the importance of both the cognitive and affective aspects in a crisis situation and the explicit link to performance history and organisational responsibility, the study has been mindful of Schwaiger's and Thiessen & Ingenhoff's definitions in its design. Communication messages designed to remind stakeholders of competency and/or address levels of organisational responsibility for a crisis may either protect or further damage an organisation's reputation during a crisis event. Greater empirical research in this area is needed to better understand the extent of this damage and the value of mitigation strategies.

Research shows that reputations are multi-dimensional (Zyglidopoulos, 2003) and are built through the direct and indirect experiences stakeholders have with the organisation (Brown & Roed, 2001; Fombrun & van Riel, 2004; Romenti, 2010). Direct experiences come through the specific interactions a stakeholder has with an organisation, for example, as a customer or shareholder (Lloyd, 2011; Walsh et al, 2008). Indirect interactions are mediated reports of how the organisation treats its stakeholders. This could include news reports (Einwiller, Carroll & Korn, 2010; Wry, Deephouse & McNamara, 2006) or comments from family or friends. Information and comments are given salience when the reputation is formed (Carroll & McCombs, 2003) with some attributes providing more impact than others (Kiousis et al, 2007; Meijer & Kleinnijenhuis, 2006). Despite the best efforts of organisational policy and procedures to try and control as many of the direct experiences as possible, Carroll & McCombs (2003) suggest that indirect experiences are highly powerful when stakeholders are called upon to make reputational judgments.

Many researchers (see for example, Coombs, 2004; Doorley & Garcia, 2006; Mahon & Wartick, 2003) argue that reputations are critically linked to the expectations of stakeholders, however, understanding the different expectations within organisational contexts is complex (Watson & White, 2010). When expectations are exceeded, the organisation's reputation is seen as more favourable. Likewise, when expectations are breached, stakeholders perceive the organisation less positively and the reputation is harmed. This link to expectations explains why corporate reputation is of such interest to crisis researchers. A crisis is an event that threatens or violates the expectancies of stakeholders (Coombs, 2007b) and, thus, is a danger to the organisation's reputation (Barton, 2000; Dilenschneider, 2000). The

reputation management function will fail if the crisis destroys the relationship between the organisation and its stakeholders or if the organisation fails to meet stakeholder expectations (Finet, 1994) through its crisis response. As organisations place more emphasis on their reputation, Coombs and Holladay (2002) argue that they need to place a similar emphasis on crisis management as a means of protecting reputational assets.

Reputation as a Defensive Shield

As reputations are built over time through direct and indirect experiences, organisations build reputational capital (Alsop, 2004). This capital can act as a defensive shield (Coombs & Holladay, 2006) to protect the organisation from harm. Often described through the metaphor of an intangible bank account (Dowling, 2002), reputational capital is designed to help organisations navigate difficult times such as a crisis. The goodwill established through building strong stakeholder relationships will be called upon when a negative event happens. Alsop (2004) suggests that a crisis will 'tax any reputation and rob a company of some of its stored-up reputation capital' (p. 17), however, with a strong capital base of reputation, the organisation's reputation suffers less and recovers more quickly. Fombrun and van Riel (2004) propose that the critical link to recovering the dissipated value is the crisis response strategy, that is, how the crisis is handled once it has erupted. Thus, refining the understanding of the effectiveness of crisis response strategies in different crisis situations is critical to crisis managers and is a central goal of this study.

Walker (2010) highlights that reputations can be positive or negative, preferring to focus on the perspectives of different stakeholders compared with Fombrun's traditional and most highly cited approach (1996) which suggests reputation is an aggregation of the perceptions of all stakeholders. Regardless of the method, a positive reputation can provide what has been described as the 'halo effect' in which a generally positive attitude toward the company gives the company immunity to a certain extent (Bromley, 1993). People want to believe good things of companies that have strong reputations and therefore, they are less likely to judge such companies negatively.

Stakeholders may ignore bad news about organisations that have a favourable reputation (Balzer & Sulsky, 1992), providing such companies with the benefit of the doubt during the initial phases of a crisis (Coombs, 2007b). This may reduce negative speculation that crises often produce and makes it easier for the organisation to enact its response. The reverse is also true. Organisations with poor reputations may suffer from the 'velcro effect' (Coombs & Holladay, 2001), that is, people are more likely to believe bad things of companies that have bad reputations and this can reduce the effectiveness of response strategies designed to protect corporate reputation. After reviewing more than 25 years of research in corporate reputation, Walker (2010) suggests more research is particularly needed in the area of how stakeholder groups perceive positive and negative signals such as those employed in crisis response strategies and the influence of such signalling on reputation.

Investigating Reputational Damage: A Different Challenge for Crisis Researchers

Fediuk et al (2010) and Pace et al (2010) have recently identified the limited depth of explanatory power of the mainstream crisis research which has led to most of the recognised crisis response models (see for example, Coombs, 2007b; Coombs and Schmidt, 2000; Lyon & Cameron, 2004; Pace et al, 2010). While the theoretical development of the models often discuss the protective powers of crisis response strategy in reducing reputation damage, most studies only assess reputation (or any of the other variables of interest) at a point in time. This allows for the impact of comparative approaches to be assessed at that point in time (so for example, does strategy (a) lead to a different outcome to strategy (b)) but it fails to uncover what impact strategy (a) was actually having on the variable under study. The use of controls in studies has gone some way to addressing this impact but Fediuk et al (2010) and Pace et al (2010) have echoed a more distinct call for studies to look at the impact on reputation damage by doing pre- and post- testing of the variables under study.

This change in methodology helps crisis researchers get closer to understanding the actual dynamics of the crisis situation and has been used as the stimulus for the design of this study. Reputation has been assessed prior to a crisis event to provide baseline data to understand the impact of the variables under study at the time of the

crisis as well as at multiple times during the application of different independent variables. This allows for an analysis of the impact not only on reputation as a discrete measure but on reputation change over time, thus providing a better explanation of the risk of reputational damage and the ability of organisational interventions to reduce this damage. In doing so, this study provides a significant contribution to the crisis research literature through greater explanatory depth of the dynamics of the crisis situation.

Summary

An organisation's reputation is recognised as a valuable asset that must be built and nurtured through corporate action and messaging that matches stakeholder expectations. During a crisis event, this valuable asset is under threat. This study extends the current research within public relations and management on how a crisis can damage an organisation's reputation. By taking a relationship management perspective, the study explores the potential influence of past relationships with the community on stakeholder perceptions of reputation, recognising an organisation's relationship history can be positive as well as negative. This study also investigates the outcomes of different crisis response strategies designed to protect organisational reputation when used in different crisis situations and demonstrates how reputational damage is increased or decreased through the application of these strategies. It also examines the influence of stakeholder perception of crisis responsibility on judgments of organisational reputation.

Having explored the concept of reputation and how it is threatened in a crisis event, this review will now address the related but separate concept of organisational legitimacy and its importance in crisis management.

Organisational Legitimacy: Underpinning an Organisation's Ability to Thrive and Survive

Organisational legitimacy is defined as 'a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions' (Suchman, 1995, p. 574). Organisational legitimacy is linked to an organisation's ability to thrive and survive (Scott et al, 2000), hence its challenge during a crisis may have important

consequences. To better understand these consequences and how to mitigate them, it is first important to understand how legitimacy is constructed and its role in influencing organisational outcomes.

Tracing its routes back to Weber's analysis of the legitimacy of different authority types and the importance of social practice conforming to social rules (Johnson et al, 2006), legitimacy has been defined in terms of acceptance (Brown, 1994; Knoke, 1981), taken-for-grantedness (Carroll & Hannan, 1989; Meyer & Rowan, 1977), and reasonableness, appropriateness and congruence (Dowling & Pfeffer, 1975; Meyer & Rowan, 1977). It is an asset that sustains the flow of resources from the environment to the organisation (Hannan & Freeman, 1989). Legitimate organisations survive because stakeholders are more likely to supply resources to those that are perceived to be desirable, proper or appropriate (Parsons, 1960) and organisations that can convince their stakeholders of the illegitimacy of competitors can enhance their competitive advantage (Brown, 1998; Henisz & Zelner, 2005; Pfeffer & Salancik, 1978).

Recent research has tested how legitimacy can impact a range of organisational performance measures including initial public offering values (Cohen & Dean, 2005; Higgins & Gulati, 2003), stock prices and stock market risk (Bansel & Clelland, 2004; Zuckerman, 2000) and stakeholder support (Choi & Shepherd, 2005). These studies showed the benefit of positive legitimacy to organisations and the disadvantages of negative impacts on legitimacy. For example, Cohen and Dean (2005) when studying more than 200 firms which listed in the United States in the late 1990s showed that the greater legitimacy status of an organisation's top management team allowed that organisation to extract more value from investors at the time of its initial listing. For negative impact, Bansel and Clelland (2004) analysed media reports and stock prices of 100 firms over a five year period and concluded that when new information was released that negatively impacted legitimacy, share price volatility increased for the organisation which was seen as unfavourable to investors (Aaker & Jacobson, 1987) and had the potential to lead to difficulty in managing funding structures for the business (Lubatkin & Chatterjee, 1994).

Conferral and Withdrawal: The Importance of Stakeholder Expectations

Organisational legitimacy can be broadly conceptualised as being derived from an organisation's form (Dacin, 1997; Ruef & Scott, 1998;) or its actions (Parsons, 1960; Pfeffer & Salancik, 1978). This study focuses on the latter meaning and adopts a normative/moral approach to legitimacy (Scott et al, 2000; Suchman, 1995). This approach better reflects judgments of legitimacy by the general public (Deephouse & Carter, 2005) as opposed to more specifically characterised stakeholders such as regulators who have a major impact on regulatory legitimacy or those who have an explicit self interest as demonstrated through pragmatic legitimacy. Under a normative/moral approach, legitimacy is closely linked to the expectations of stakeholders on organisational action, in particular whether the actions represent 'the right thing to do' (Suchman, 1995, p. 579), are acceptable (Elsbach, 1994) and whether the organisation has a right to continue operations (Bedeian, 1989; Dacin et al, 1999). Legitimacy within this frame is a perceived attribute of the organisation (Massey, 2001) and can be judged by evoking the value systems of the stakeholders (Lounsbury & Glynn, 2001) around 'collectively valued purposes, means and goals' (Meyer & Rowan, 1977, p. 349). If achieved, this legitimacy represents affective congruence where there is consistency between the organization's goals and values and those of its stakeholders (Choi & Shepherd, 2005). As with the multidimensional nature of reputation (Schwaiger, 2004), this affective approach shows that organisational competency is important but it 'may not, on its own, naturally lead to the attainment' (Lounsbury & Glynn, 2001, p. 555) of legitimacy.

A conferred status, organisational legitimacy is influenced substantially by those outside the organisation and thus is predicated on the organisation's capacity to maintain a coalition of supportive stakeholders who have legitimacy-determining power (Galaskiewiez, 1985; Pfeffer & Salancik, 1978). Once conferred, legitimacy can also be withdrawn should stakeholder judgments turn unfavourable. Such withdrawal may be total, resulting in the organisation being judged as illegitimate, or partially withdrawn. Pfeffer and Salancik (1978) and Habermas (1975) suggest it is the absence of legitimacy that makes the concept more readily known rather than its presence. This focus on the influence of the negative status of illegitimacy is picked up by Deephouse and Suchman (2008) in trying to define legitimacy in relation to

other focal constructs, suggesting that the 'absence of negative problems is more important than the presence of positive achievements' (p. 60).

Meyer and Scott (1983) developed a continuum of organisational legitimacy, suggesting that organisations can be judged as completely legitimate through to completely illegitimate. Completely legitimate organisations have no threat of negative stakeholder evaluation (Child, 1972) as they are seen as organisations 'about which no question could be raised' (Meyer & Scott, 1983, p. 201). Their 'perfect legitimation' (Meyer & Scott, 1983, p. 201) provides 'insulation from scrutiny' (Bansal & Clelland, 2004, p.95), helping to reassure stakeholders that any untoward event such as a crisis is unusual. In the likelihood of such an event, Bansal and Clelland (2004) suggest stakeholders will rally around the organisation, thereby significantly lessening the effect of the environmental incident. On the other hand, completely illegitimate organisations are likely to continually face threats both internally and externally. As outlined by Pfeffer and Salancik (1978), 'when activities of an organization are illegitimate, comments and attacks will occur' (p.194).

The continuum approach to legitimacy has been used in a number of studies including Choi and Shepherd (2005) who assessed stakeholder perspectives on cognitive legitimacy in young and mature firms and Elsbach (1994) who investigated how effective different accounts were in protecting and increasing impressions of organisational legitimacy. It has also been used by researchers such as Vergne (2011) in describing how organisations may be more legitimate in one geographic region than another or more legitimate at one point in time over another. The continuum approach was adopted in this study to assess how stakeholder perceptions of organisational attributes and crisis response strategies used in particular crisis events may influence an organisation's position on such a continuum and any shifts it might experience immediately following a crisis event. In doing so, it illuminates the threat of legitimacy damage from a crisis event and the ability of an organisation's response strategy to mitigate or aggravate such damage.

Legitimacy Management: Organisational Choices and the Role of the Corporate Narrative

The dynamic nature of legitimacy management creates considerable opportunities for managers to respond strategically to their environment (Ashforth & Gibbs, 1990; Oliver, 1991), taking advantage of both opportunities and threats (Elsbach & Kramer, 1996). Suchman (1995) suggests that managerial initiatives can make a 'substantial difference in the extent to which organisational activities are perceived as desirable, proper and appropriate within any given cultural context' (p. 8). Despite the recognition of this importance, limited attention has so far been given in the empirical literature to identifying the processual aspects of legitimacy or to understanding how it is acquired, maintained and lost (Lounsbury & Glynn, 2001; Suddaby & Greenwood, 2005). Key legitimacy researchers, Deephouse and Suchman (2008) highlight this challenge, confirming that with a focus to date on theory building rather than theory testing: 'only a handful of investigations have employed legitimacy as a variable in hypothesis testing' (p. 49). This study contributes to this gap by considering potential influences on legitimacy during a time of crisis and the effectiveness of protection strategies employed by the organisation in crisis. As with reputation, legitimacy is measured in this study at different points in time, allowing an assessment of the impact on legitimacy at such a point as well as seeing the effect on legitimacy damage as measured across time periods.

An organisation can build legitimacy in three ways: conform to existing social norms by adapting its output, goals and methods of operation, alter social norms to better align with the company's practices, and identify with symbols, values or institutions that have strong social values (Dowling & Pfeffer, 1975). Dowling and Pfeffer (1975) suggest the latter two strategies are attempted through communication while acknowledging that the changing of social norms is very difficult. Vaara et al (2006) also emphasise the importance of discursive legitimation strategies that organisations can use including moralization and narrativization. Such communication may take the form of 'stories' (Lounsbury & Glynn, 2001, p. 546) which can explain, rationalise and promote organisational activity. Suchman (1995) argues a similar range of strategies and suggests that legitimacy building is a proactive enterprise where organisations are seen to conform to the environment,

select among the environment, or manipulate the environment. According to Ashforth and Gibbs (1990), once legitimacy is gained, its maintenance is often routinised into organisational activity.

Organisational and environmental actions and changes can lead to the questioning or loss of legitimacy. This can create a legitimacy gap (Sethi, 1977) where key public support for the organisation's actions is lost and resources withdrawn (Habermas, 1975) and may lead, in extreme circumstances, to organisational death (Hamilton, 2006). In her study of three major American corporations that suffered crises and ceased operations, Hamilton (2006) suggests management is often forced into a reactive response when crisis hits and often seeks to use denial and counterclaims rather than engaging in problem solving or meaningful change. Suchman (1995, p. 597) suggests three broad approaches to managers facing such a loss of legitimacy: 'offer normalising accounts, restructure, and don't panic'. Given its relevance to this study, the first of these approaches will be explored in more detail later in this chapter in relation to response strategies.

While Suchman (1995) and others provide guidance on organisational strategy to build legitimacy, the process of external legitimation takes time and not all legitimation attempts meet with equal success. Hannan and Freeman (1989) suggest that longevity may be the key component in organisations achieving legitimacy, particularly for those who reach the taken-for-granted stage where the organisation is legitimate by assumption (Henisz & Zelner, 2005), as the conferral process is a long one. Older organisations develop dense webs of exchange relationships with relevant sectors of the environment and this provides protection to organisations by reducing selection pressures. These organisations are 'relationally embedded in social networks' (Amburgey & Rao, 1996, p. 1274) and thus have built significant social capital. Newer organisations, however, operate in an environment of uncertainty (Lounsbury & Glynn, 2001) without the social networks that can 'stabilize the new firm as a player in its targeted markets' (Larson, 1992, p. 100). This has led to research on how the age of an organisation is linked to its legitimacy standing and its ongoing survival in the face of threats which will be explored further in this chapter as it is related to the formulation of this study.

Audience-oriented Legitimacy Research: Examining the Protective Effects of Discursive Practice through Measuring Legitimacy

As a critical feature in organisational survival, organisational legitimacy has been explored through a diverse range of theoretical lenses, including institutional theory (Bansal & Clelland, 2004; Ruef & Scott, 1998; Scott, Ruef, Mendel, & Caronna, 2000), resource dependency theory (Pfeffer & Salancik, 1978), and organisational ecology (Aldrich, 1979; Aldrich & Marsden, 1988; Hannan & Freeman, 1989). Perhaps because of this diversity, there is no one accepted definition of legitimacy (Deephouse & Suchman, 2008) and therefore, no one accepted way of measuring it within organisational environments.

While some researchers have highlighted the difficulties in manipulating legitimacy at the empirical level (Hudson, 2008; Vergne, 2011). studies have demonstrated legitimacy through assessing media coverage (Bansal & Clelland, 2004; Deeds et al, 2004; Deephouse & Carter, 2005; Lamertz & Baum, 1998) governmental records (Oborn, 2007) and organisational records (Pfeffer & Salancik, 1978). While important in building knowledge of organisational legitimacy, these studies share a common approach in that the perceptions of stakeholders are judged through a mediated form or through a proxy (Schneiberg & Clemens, 2006). For example, an assumption that an organisation has legitimacy with the public is made on the basis that media reports about the organisation are favourable and this directly impacts the perception of the public as consumers of that media. In addition, these studies are in danger of shifting the focus to the means of legitimation through examining what organisations are doing (Ashforth & Gibbs, 1990; Milne & Patten, 2002) rather than what effect the means are producing.

In more recent times, studies (see for example, Elsbach, 1994; Elsbach & Sutton, 1992; Foreman & Whetten, 2002; Massey, 2001) have started to address these issues by focusing on gathering the perspectives of stakeholders directly through surveys and focus groups which has required the development of new measures of legitimacy. This study extends this line of research by seeking directly stakeholder perceptions of legitimacy. Following the approach of Vergne (2011) in selecting the most relevant dimensions of organisational legitimacy to answer the research question and design, the stakeholder-driven legitimacy measures developed by

Massey (2001) and Elsbach (1994) were used to inform this study. These measures encapsulate elements of organisational endorsement and organisational normativity which underpin the normative/moral approach to organisational legitimacy that best reflects legitimacy judgments by the general public (Deephouse & Carter, 2005).

While described as an "anchor-point" for understanding organisation-environment conditions (Suchman, 1995, p.571) and clearly focused on stakeholder perceptions and the importance of building communication links with stakeholders, organisational legitimacy has not been recognised widely within the public relations discipline as a long term goal of building organisation-public relationships. A 2005 study demonstrated very limited attention to organisational legitimacy in public relations texts and research journals over the prior decade (Mehta, Xavier & Broom, 2005). However, more recently there is growing interest in the area (see for example, Ihlen et al, 2011). Heath (2001) suggests that "legitimacy gaps" (p. 3) will be part of the emerging vocabulary of public relations scholars and practitioners as the discipline focuses more on relationship management and will be informed by the work of scholars such as Everett (2001) in organisational ecology and Metzler (2001a) in rhetorical strategy. Researchers such as Bartlett et al (2007), Boyd (2000), Gower (2006), Holmstrom (2005), Ihlen, Bartlett and May (2011), Merkelsen (2011) and Metzler (2001a,b) have started to form a body of knowledge that presents organisational legitimacy as a "foundational concept" (Boyd, 2000, p. 342) of public relations and central to its continued practice. This study contributes to the growing scholarly commitment to legitimacy research by further exploring and detailing the links between crisis response strategy and perceptions of legitimacy in a crisis situation.

Summary

A challenge to an organisation's legitimacy during a crisis event threatens its competitive advantage and may result in the withdrawal of support from important stakeholders. Faced with this threat, the organisation can use its communication strategy to respond to the crisis event and, in doing so, try and again achieve greater congruence between the stakeholders' expectations of its behaviour and its actual performance. Despite the importance of legitimacy to organisational performance, limited research to date has been focused on capturing the perspectives of

stakeholders directly and on measuring the impact of different communication strategy options. This study extends the current limited research within public relations and management on the legitimacy damage brought through a crisis event and how an organisation's past relationships with the community may affect its legitimacy standing. This study also examines the impact on legitimacy of different communication responses following a crisis event and investigates whether this impact is also influenced by an organisation's relationship history. The role of stakeholder perceptions of organisational responsibility for the crisis event is considered in all of these judgments.

Reputation and Legitimacy: Different or the Same

While both reputation and legitimacy depend on stakeholder perceptions of an organisation and can lead to the increased ability of that organisation to acquire resources, Deephouse and Carter (2005), Highhouse et al (2009) and Vergne (2011) argue that they are different concepts and should be treated differently by researchers. Reputation refers to stakeholder favourability of an organisation against others within a system whereas legitimacy refers to acceptability of that organisation within the same social system (Zyglidopoulis, 2003). Thus, reputation is more comparative than legitimacy with organisations seeking to enhance their reputation by achieving at excellent levels. Legitimacy, on the other hand, can be seen as a minimum set of standards and thus, is 'fundamentally non-rival' (Deephouse & Suchman, 2008, p.60). Legitimacy is a level of social acceptance resulting from the adherence to norms and expectations of relevant stakeholders. While both concepts draw from the same source, described by Highhouse et al (2009, p.1497) as a 'shared perception of knowledgeable constituents', their focus is different and therefore the constructs require different attention in the management literature.

The majority of crisis studies have focused on reputational outcomes (see for example, Coombs, 2006; Coombs & Holladay, 2001; Lyon & Cameron, 2004; Pace et al, 2010), however, there have been some crisis researchers who have sought to establish legitimacy impacts (see for example, Allen & Caillouet, 1994; Elsbach, 1994; Massey, 2001). This study builds on the work of these scholars to refine the understanding of the impact of crisis on legitimacy through direct measurement of stakeholder perceptions. It also brings the two concepts of reputation and legitimacy

together in the one study to test how stakeholder perceptions on each construct may differ in the one crisis event and how these perceptions of each might change during the crisis event. This study tests both concepts at the time of crisis with the assumption that both exist to some extent at that time. In doing so, it is focusing on the maintenance or rebuilding aspects of reputation and legitimacy management (Suchman, 1995) rather than its establishment. The results from this study will show whether the assumptions of the SCCT framework on how to use crisis response to protect an organisation's reputation are also valid in protecting an organisation's legitimacy. This not only strengthens the value of the SCCT model to crisis managers but is useful for the future development of crisis response models that are targeted to achieving organisational goals on one or both of these constructs.

Given the identification of the key components of the organisational assets of reputation and legitimacy and their reliance on stakeholder perceptions, this review now addresses four key factors that operate during a crisis event that may enhance or inhibit an organisation's ability to protect these assets.

Key Influencing Factors During a Crisis Event: Articulating Influences on Stakeholder Perceptions

Central to this study's goals is an emerging line of research that demonstrates that for organisations to effectively protect their intangible assets during a crisis, they need to consider a range of factors that might influence stakeholder perceptions of the crisis, the organisation involved, and its response to the crisis (Frandsen & Johansen, 2011; Hobbs, 1995; Sharkey & Stafford, 1990). Coombs and Holladay (2001) argue that the crisis situation is both a constraint and an asset when articulating a crisis response, reflecting Fink's turning point analogy of crisis decision-making. The success of the organisation's response during a crisis relies on management's ability to evaluate the specific situation and select the most appropriate crisis response strategy to achieve the goals it has set. This involves complex decision-making in a time of great ambiguity which is why crisis managers valued the advice provided through applied crisis research (Ihlen, 2010).

Early research in this area focused on the crisis itself as the key determinant of stakeholder perceptions, primarily using the specific type of crisis as a key variable. Originally using inventories of different crisis types in planning (Fearn-Banks,

1996), crisis type was then recast to identify different categories or groupings of crisis through some identifying factor (Lerbinger, 1997; Pearson & Mitroff, 1993). These categories represented the early moves towards understanding the frames through which publics or stakeholders could interpret the crisis event, drawing from the key attributes of intention and control identified in social cognition theory (Weiner, 1985).

While an important move in progressing the understanding of how best to protect an organisation during crisis, the focus on the crisis situation was found to be insufficient to guide crisis managers as variables relating to the crisis itself did not appear to explain all the impacts on stakeholder perceptions (Coombs & Holladay, 1996). Specific attributes of the organisation and its relationship with its stakeholders also had an influence. Researchers looked to the relational management approach that was becoming central to public relations theory development to help explore the related variables in crisis response. According to Broom, Casey and Ritchey (1997), the organisation-stakeholder relationship was at the centre of public relations practice with relationships held to be the core defining aspect of public relations as a discipline. These relationships were built through an organisation meeting or failing to meet stakeholder expectations (Bruning et al, 2006; Finet, 1994). Within crisis research, Coombs (1999) also suggests organisations build favourable relationships by meeting and exceeding stakeholder expectations. A favourable stakeholder relationship has been strongly linked to a positive reputation (Coombs & Holladay, 2001; de Castro et al, 2006; Ki & Hon, 2007; Yang, 2007) and the survival properties of organisations influenced by the duration of interorganisational relationships (Stinchcombe, 1965). These relationships contribute to the social capital (Coleman, 1988) of an organisation and serve as conduits for resources.

The relational management perspective suggests that consideration of relationship history is an important component when developing public relations actions (Ledingham & Bruning, 1998). For the relational approach to be useful in crisis research, however, the context of the crisis in an organisation-stakeholder relationship had to be addressed. Coombs and Holladay (2001) suggest that a crisis should be considered as 'one event or interaction within a larger relationship between an organisation and its stakeholders' (p. 324). The assessment of the

current interaction, that is the crisis, will be influenced by views on former interactions and may also influence future interactions. This may work for or against the organisation in protecting its reputation and its relationships with key stakeholders.

Situational Crisis Communication Theory (the SCCT)

Further development of the relationship management approach saw the emergence of the Situational Crisis Communication Theory (SCCT) (Coombs & Holladay, 2002). The SCCT model (see Figure 2) was designed to provide guidance to crisis managers on how to select an effective response strategy when faced with a crisis. It did this by taking into consideration a range of factors that might be affecting how stakeholders perceived the crisis event and the organisation. First proposed in the late 1990s, it continues to be researched and modified as new evidence from the field is assessed (see, for example, Coombs & Holladay, 2002; Coombs, 2010; Fediuk et al, 2010; McDonald et al, 2010; Schwarz, 2008). SCCT has at its core the ability to protect organisational reputation during a crisis. To do this, crisis managers need to be able to identify all relevant variables that influence stakeholder perceptions during a crisis and consider how these influences may interact to affect the outcomes.

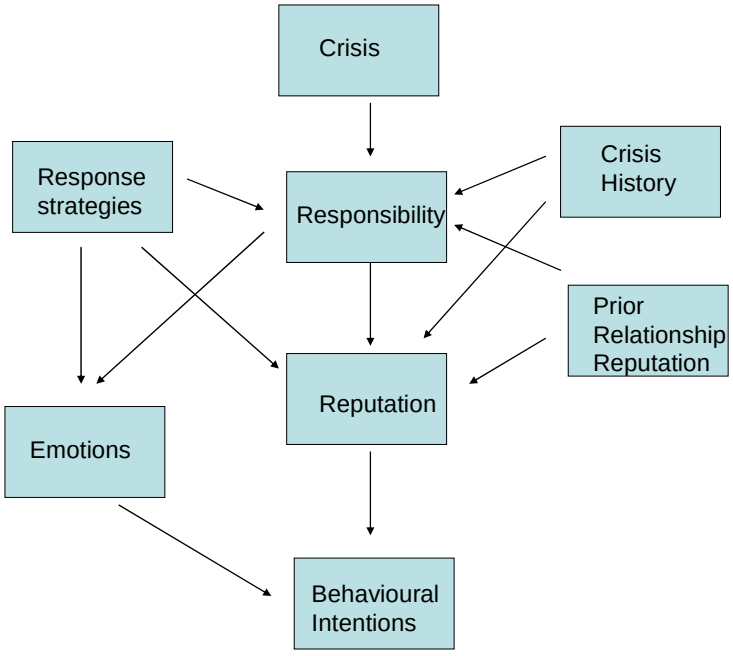

Figure 2: Crisis situation model of SCCT (Coombs, 2007a)

The SCCT model focuses on four main factors that influence stakeholder perceptions of reputation: the crisis itself, the organisation's responsibility for the crisis, the response strategies used in the crisis and the performance history of the organisation in crisis as evidenced through crisis history and prior relationships. A detailed review of relevant research on each of these factors is needed as this study investigates the interaction of these factors and their particular ability to mitigate or aggravate damage to the organisation following a crisis event.

Influencing Factor 1: Crisis Type

As outlined earlier, crisis type was one of the first influences in a crisis situation to be considered by crisis researchers. These researchers developed long lists of individual crisis types (see for example, Fearn-Banks, 1996) and suggested organisations consider each of the types in their planning. Recognising the extensive resources required for such an exercise, Pearson and Mitroff (1993) recommended the clumping or categorising of crises according to some similar feature such as their cause or their level of damage. Their assumption was that the planning for one crisis type within a category would serve as a model for each of the crises within that category, thereby reducing significantly the pre-crisis preparation process. This assumption continues to underlie many of the crisis categorisation schemes in use today.

While crisis categorisation started as a convenience factor, its predictive nature as a frame through which stakeholder perceptions and behaviour could be understood became of more interest to crisis researchers. Coombs and Holladay (2002) in the development of the SCCT model recognised the disjuncture between the typologies created for crisis and the typologies created for crisis response. In seeking integration, they revisited the crisis type categories to look for integrating factors that could guide the model development. Responsibility was identified as one such integrating factor, leading to a master list of nine crisis types (Coombs, 1999) which was later expanded to 13 (Coombs & Holladay, 2002) and then reduced back to 10 (Coombs, 2004, 2007, 2009) as outlined in Table 1. These crisis types and their associated descriptors were used to guide this study and were used in the development of the stimuli material for the six experiments.

Table 1: Crisis types by definition (Coombs, 2004, 2007; 2009)

Type	**Description**
Natural disaster	Acts of nature that damage an organisation such as an earthquake. Some environmental/weather event impacts the organisation.
Rumours	False and damaging information about an organisation is being circulated. Evidence that the information is false.
Workplace violence	Current or former employee attacks current employees onsite. An employee or former employee injures or attempts to injure current employees.
Product tampering/malevolence	External agent causes damage to an organisation. Some actor outside of the organisation has altered the product to make it dangerous.
Challenges	Stakeholders claim an organisation is operating in an inappropriate manner. There is a public challenge based on moral or ethical, not legal, grounds.
Technical error accidents	A technology or equipment failure causes an industrial accident.
Technical error recalls/product harm	A technology or equipment failure causes a product to be recalled. A product is deemed harmful to stakeholders. The cause of the recall is equipment or technology related.
Human error accidents.	Human error causes an industrial accident.
Human error recalls/product harm	Human error causes a product to be recalled. A product is deemed harmful to stakeholders. The cause of the recall is a person or people not performing job properly.

Organisational misdeed	Stakeholders are deceived without injury. Laws or regulations are violated by management. Stakeholders are placed at risk by management and injuries occur.

The link between the crisis types and the second factor of the attributed level of responsibility for a crisis will be discussed in the next section as it leads to a recasting of the crisis types as crisis clusters within the SCCT model.

Influencing Factor 2: Organisational Responsibility for a Crisis

The second key factor in the SCCT model is responsibility, often described as the heart of the model (Coombs, 2007b, 2010). To best protect a company's reputation and legitimacy in a crisis, it is important to understand stakeholder perceptions of that organisation's responsibility for the crisis. Sisco (2010, p.2) identifies this attribution of responsibility as 'one of the most important underlying elements for public relations practitioners to consider' in crisis management, highlighting its importance also for crisis research. As outlined by Coombs and Holladay (2011), this importance is confirmed by the impact of organisational responsibility on other outcome variables in the crisis situation.

Theories of social cognition help explain how stakeholders develop their perceptions of organisational responsibility for a crisis. Social cognition involves a detailed analysis of how people think about themselves and others. In particular, social cognition research by applying attribution theory tries to identify how people attribute specific traits and qualities to others, and how they use individual perceptions to arrive at overall impressions. Lee (2004) notes that this original person-to-person behaviour has been anthropomorphized to now explain how an individual makes sense of an organisation's behaviour. Empirical research in areas such as corporate apologia has demonstrated that organisations can be 'perceived as personlike social entities' (Schwarz, 2008, p. 40).

Attribution theory has been used by a growing group of crisis researchers (see e.g. Bradford & Garrett, 1995; Coombs & Holladay, 1996; Lyon & Cameron, 2004; Schwarz, 2008; Williams & Treadaway, 1992) to identify how stakeholders develop causal explanations for events and form impressions of organisations. As outlined by Heider (1958) and Weiner, Perry & Magnusson (1988), people are motivated to engage in attributional behaviour because of a need to predict and control their environment. Crises by nature are events which involve unpredictability and a general lack of control. Therefore, attributional behaviour is likely to be at a heightened state, particularly for those directly impacted by the crisis event, the crisis victims.

McAuley, Duncan & Russell (1992) identified four causal dimensions people use when making attributions: stability, external control, personal control and locus with both control dimensions later being collapsed into one factor (Wilson et al, 1993). Stability identifies whether the event's cause happens frequently or infrequently, control indicates whether or not the event's cause is controllable by the actor or not and locus impacts on whether the event's cause is something about the group involved or the situation (Russell, 1982). In a crisis event, stakeholders will analyse the different factors to form their impression of the organisation and the situation, therefore, the presence of multiple factors will intensify the overall impression.

While all of the attributes can affect perceptions of responsibility, of particular interest to this study are the attributes of control and locus. Stronger perceptions of external control should lessen crisis responsibility as the organisation could do little to prevent the crisis. Similarly, stronger perceptions of the locus of causality should increase crisis responsibility because the cause is directly linked to the organisation. The level of responsibility assigned is important as research has shown that greater attributions of responsibility lead to stronger feelings of anger and more negative views of organisations (Coombs & Holladay, 2007; McDonald & Hartel, 2000; Weiner, Amirkhan, Folkes, & Verette, 1987) and their reputations (Coombs & Schmidt, 2000; Laufer & Gillespie, 2004; Pace et al, 2010; Verhoeven et al, 2012).

It is important to note the distinction between stakeholder perception of responsibility which is the focus in the SCCT model and actual responsibility for the crisis. An organisation may be responsible for the cause of a crisis but its

stakeholders believe other parties are responsible. Alternatively, an organisation may hold no actual responsibility for a crisis but be seen as responsible by key stakeholders because of its actions or inactions or the actions of others.

In a study on the influence of responsibility on regard for a firm and the comparative influence of prior reputation and response, Dean (2004) showed that responsibility was the single, strongest influencing factor in a crisis situation. While an important finding, it needs to be considered that Dean differed in the approach taken by earlier crisis researchers in that he used third party endorsement to signal responsibility on the basis of the discounting principle (Kelley, 1973) contained within attribution theory. The discounting principle holds that an apparent causal inference will be discounted if an alternative, plausible explanation is present. Thus, in his stimulus material, Dean used a statement by a regulatory agency which passed judgment on the organisation's responsibility to test stakeholder perception of responsibility. This removed the ambiguity often surrounding responsibility in an unfolding crisis situation. While his research is useful in demonstrating the importance of responsibility as an influencing factor and its relative status compared with other factors, it remains to be tested as to whether such a high proportion of variance in regard for an organisation would be found without direct third party statements on responsibility. The study reported in this thesis tested responsibility in two ways: firstly through leaving open the question of actual responsibility for a crisis event which it could be argued more closely mirrors a real crisis situation and then in one experiment, assigning responsibility in a similar way to Dean (2004). The results of each approach are outlined in Chapters 4-7.

Weiner (1995) notes that responsibility is not a yes-or-no proposition. It is a matter of degree or magnitude and perceptions of responsibility may vary greatly among different stakeholders. However, Coombs (1998) suggests that if crisis managers can estimate where the stakeholder perception of responsibility sits on a continuum of highly responsible to not responsible, they are in a better position to select an appropriate response. Thus, crisis managers can use an analysis of the multiple factors to predict stakeholder perceptions of responsibility and then design a message strategy to protect or repair organisational image. They may attempt to do this by altering how stakeholders perceive each or all of the three attribution dimensions

outlined earlier. For example, the organisational response may be designed to strengthen the positive attributions and/or address the negative attributions.

Enhancing Predictive Powers by Linking Crisis Types and Attributed Responsibility: Developing the Crisis Cluster

While organisations could test stakeholder perceptions of responsibility prior to designing their communicative responses, the realities of the dynamic crisis situation make this possibility a remote one. Thus, an alternative method of predicting responsibility was sought by researchers. Coombs (2004) suggests that while different perspectives of responsibility are found among individuals, certain levels of responsibility can be predicted on the basis of the crisis type. Coombs and Holladay (2002) tested this proposition in an experimental study with 130 undergraduate students. The students read two crisis case outlines from a possible 13 different types (representing the 10 major types presented in Table 1 plus three additional types) and completed a questionnaire on organisational responsibility. From this study, Coombs and Holladay (2002) identified three major clusters of types that produce significantly different levels of attribution for responsibility. These clusters are shown in Table 2. Thus, to overcome the need for direct research at the time of crisis, Coombs (2007b) suggests organisations consider the crisis clusters into which the crisis type falls as these clusters represent the frame through which the stakeholders perceive the crisis event.

Table 2: Crisis clusters based on stakeholder attributions of responsibility

Cluster	**Crisis Type**
Victim (very little attribution of crisis responsibility)	Natural disasters Rumours Workplace violence Malevolence
Accidental (low attribution of crisis responsibility)	Challenges Technical-error accidents Technical-error product harm

Preventable/Intentional* (strong attributions of crisis responsibility)	Human-error accidents Human-error product harm Organisational misdeeds

**Coombs has used these terms interchangeably (see for example, Coombs, 2009, p. 111 vs p.112). This study has used 'preventable' throughout.*

In the victim cluster, stakeholders see the organisation as the victim not the cause of the crisis and therefore assign little crisis responsibility. In the accident cluster, the crises are seen as outside the control of the organisation and unintentional. In the preventable or intentional cluster, crisis responsibility is much stronger as the organisation is seen to have wilfully engaged in behaviours that led to the crisis. Coombs and Holladay (2002) also show that assumed organisational reputation varies by cluster with the victim cluster showing the highest level of reputation and the preventable cluster showing the lowest level of reputation. Considered another way, the victim cluster presents the lowest threat to reputation whereas the preventable cluster presents the highest threat to reputation.

In a more recent study with 162 undergraduate students using hypothetical media reports, Kim et al (2009) retested the main effect of crisis clusters on attributions of organisational responsibility, focusing specifically on the accident and transgression (preventable) clusters. They confirmed that the transgression cluster led to higher responsibility attributions, however the effect size for the influence on responsibility was small (ηp^2 0.03 – 0.08 across two tests). Claeys et al (2010) also provide support for the clusters' link with responsibility testing all three clusters, albeit with only one crisis type being tested within each cluster. In a study with 300 Belgian consumers, they showed that significantly different levels of responsibility were assigned to a crisis from each of the victim, accidental and preventable clusters. While effect size was not reported, lower levels of responsibility were assigned to the victim cluster and higher levels to the preventable cluster. The individual crisis types used in their experiment were product tampering (victim), a technical error product harm (accident) and organisational misdeed with injury (preventable). The project reported in this thesis extends Claeys et al's work by investigating additional crisis types of workplace violence (victim), technical error accidents (accidental), and human error product harm and organisational misdeed management misconduct

(preventable) to establish that the levels of responsibility operate across different crisis types within each cluster.

Verhoeven et al (2012) also recently tested two of the clusters (accidental and preventable) in assessing the impact of crisis responsibility on corporate trust and reputation and spokesperson trust and reputation. Their study involved 84 respondents randomly assigned to one of four conditions with the response stimuli being an 85 second video news clip of a fictitious non-medical crisis event at a hospital. The respondents attributed more responsibility to the organisation that experienced the preventable cluster crisis than the organisation that experienced the accident cluster crisis. Verhoeven et al's study also confirmed that corporate reputation was 'more harmed by a preventable crisis than by an accidental crisis' (p. 502), thus supporting the negative effect of the greater attribution of responsibility.

Assessment of responsibility through analysis of the cluster is just the first step for the crisis manager as the initial attributions of responsibility are assumed without knowledge of the additional situational factors that may influence stakeholder perceptions or the organisation's response. The same is true for the assessment of reputational threat. In essence, these clusters are theoretical assumptions of stakeholder perspectives and while they may guide crisis managers in the field, they do not provide sufficient detail for well informed decision-making during a crisis situation. For example, workplace violence in the victim category may be seen as the fault of a single individual, however if the company is found to have poor security measures or to have promoted or tolerated an environment of bullying, then stakeholder perceptions of responsibility are likely to grow. The influence of such contextual factors will be discussed later in this section as they are relevant to the design of this study.

Research has shown that as perceptions of crisis responsibility strengthen, the threat of image damage strengthens (Coombs, 1998, 2004; Coombs & Holladay, 1996, 2002, 2004, 2009). The majority of work on the link between crisis responsibility and the subsequent influence on organisational image has focused on the organisation's reputation. This study seeks to confirm the earlier research findings on crisis clusters and the links to responsibility and reputation (see for example, Coombs, 1998, 2004; Coombs & Holladay, 2001, 2002; Dean, 2004 and Lyon &

Cameron, 2004) and extend this to legitimacy, as well as consider the impact on reputation and legitimacy damage by assessing these constructs over time. This addresses the deficiencies in current crisis modelling identified by Fediuk et al (2010) where the construct of reputation at a point in time has been assessed as opposed to reputational damage which looks at pre- and post-crisis reputation.

Having ascertained the level of assumed responsibility, the organisation can then use theoretically predicted strategy options available in the SCCT model to select a strategy that matches this level of attributed responsibility and thereby minimise any further damage to the organisation. This approach should match the stakeholder expectations of action based on responsibility and this congruency should not lead to a negative impact on reputation assets. Building on this assumption, this study investigates how crisis cluster and an organisation's response might interact to change the initial attributions from cluster alone. Kim et al (2009) in an experimental study using two crisis clusters and two responses found mixed support for such an interaction, albeit using slightly different strategies to those proposed by SCCT. They used different contexts (food poisoning and a laptop battery explosion) through which to describe each of the crisis clusters and this demonstrated inconsistent results across crisis clusters. Thus further research is needed in this area to help understand the effects of response strategies in different circumstances. The importance of crisis response strategies in influencing stakeholder perspectives will now be outlined.

Influencing Factor 3: Crisis Response Strategies

The third key factor in the SCCT model is the crisis response strategy. The goal of the model is to prescribe crisis response strategies to protect reputational assets (Coombs, 2007a). By understanding the reputational threat from the crisis cluster, its associated attributed responsibility and any additional situational factors that might be affecting stakeholder views, Coombs (2007b) suggests it should be possible to determine the most effective response strategy to 'maximise reputational protection' (p. 166). However, as Coombs (2006) acknowledges, research that demonstrates this effectiveness is limited (Coombs & Holladay, 1996; Coombs & Schmidt, 2000), even though the ramifications of poor strategy are serious (Coombs, Frandsen, Holladay & Johansen, 2010). Fediuk et al (2010) also suggest that

research to date has not truly addressed reputational protection as the effect on reputation across time has not been shown through the methodological designs used. The research project described in this thesis employs a design to enable this type of testing, thereby adding to the current literature on protection strategies in crisis events.

The following sections briefly outline the key conceptualisations of response strategies in the public relations literature as these are used by different crisis researchers in their empirical tests of the impact of response strategy in a crisis event. This makes comparison of empirical tests difficult, however, many of the conceptualisations share common elements which are drawn out through this review to aid comparative analysis. A synthesis of the key research on the impact of strategy selection on stakeholder perceptions of responsibility and the organisational assets of reputation and legitimacy that informs this study will then be provided.

Developing Strategy Options

Following Benson's (1988) challenge to better understand the crisis management approach, considerable work was undertaken by crisis researchers (see for example Allen & Caillouet, 1994; Benoit, 1992, 1997; Coombs, 1995, 1998, 1999; Hobbs, 1995; Ice, 1991; Sherrell & Reidenback, 1986) to map a range of crisis response strategies. Some of these approaches incorporate detailed descriptions of discrete response strategies while others suggest the response types form a continuum.

As with the development of crisis clusters, the main focus of these early typologies was to cover the field in terms of identifying all possible alternatives. To achieve this, researchers borrowed extensively from different disciplines including 'hazard management, risk assessment, engineering, social psychology, sociology, political science, economics, public relations and general management' (Lerbinger, 1997, p. xi). Marsh (2006) suggests that a significant proportion of the early research on crisis response strategies had its origins in apologia theory, which was influenced by the work of Ware and Linkugel (1973) and conceptualised extensively by Hearit (1995, 1997, 2001) with latter developments also drawing from impression management.

Building on the work of Allen and Caillouet (1994) and Benoit (1992) in impression management, Coombs (1995) synthesised individual lists of crisis response strategies to develop a crisis response map that addressed the levels of responsibility drawn from the crisis clusters. Lyon and Cameron (2004) extended the categories of crisis response focusing specifically on defensive and apologetic responses. McLauglin, Cody and O'Hair (1983) in conceptualizing accounts or explanations that people offer for their negative behaviour developed the mitigation-aggravation continuum where mitigation showed concern for those affected by the event whereas aggravation looked to defend the company. Marcus and Goodman (1991) developed a similar continuum using accommodative or defensive responses which was later adapted by Lyon and Cameron (2004) to include defensive and apologetic responses. Siomkos and Shrivastava (1993) used the continuum of denial to corrective action. Hearit (2001) added the concept of dissociation to the continuum formation, suggesting three categories of dissociation that help an organisation reduce the threat to its reputation.

While establishing the range of response strategies was a useful step in helping guide crisis managers, further guidance was needed on how to select the appropriate strategy when faced with the crisis event. Crisis researchers became interested in why different strategies would be used and the effect they would have on organisational outcomes post crisis (Coombs, 2004; Lyon & Cameron, 2004). Early work in this field emerged from crisis researchers using impression management theory (Marcus & Goodman, 1991; Scott & Lyman, 1968) to focus on how message strategy as symbolic resources could be used to achieve different outcomes. Rather than simply explain the facts about what happened, message strategy could be used to create different impressions of the crisis and the link to the relevant organisation. Allen and Caillouet (1994) suggest message strategies can be used, for example, to show a challenge to legitimacy is invalid or to persuade stakeholders to judge the crisis more mildly and evaluate the organisation more positively. If a crisis cannot be shown to be invalid, crisis managers should use strategies that show how the organisation has returned to the norms held by its stakeholders. Thus, crisis response strategies can be used to re-establish legitimacy, thus increasing an organisation's survival chances.

Communication resources can also be used to influence the attributions assigned in the crisis situation (Coombs & Holladay, 1996; Lyon & Cameron, 2004; Schwarz, 2008) as stakeholders seek to develop causal explanations for the event. As outlined by Heider (1958) and Weiner, Perry & Magnusson (1988), people are motivated to engage in attributional behaviour because of a need to predict and control their environment. As demonstrated earlier, crisis managers attempt to use an analysis of the underlying factors influencing attributions such as control and causality to predict stakeholder perceptions and design a message strategy to repair organisational image by altering how stakeholders perceive each or all of the attribution dimensions.

Two major sets of strategy types emerge from this research: those that protect the organisational image by modifying public perception of the responsibility for the crisis (e.g. nonexistence and distance strategies) and those that try and modify the impressions of the organisation itself (mortification and ingratiation strategies). Thus, the strategy will try and achieve one of three outcomes: convince stakeholders there is no crisis and thus no challenge to legitimacy, have stakeholders see the crisis as less negative and therefore attribute less responsibility to the organisation for the damage caused and have stakeholders see the organisation more positively with remedial action helping to re-establish legitimacy by demonstrating organisational concern for societal norms (Coombs & Holladay, 1996). This aligns with the work on normalising accounts established through the management literature. At least four types of normalising accounts have been established: denial, excuses, justifications and explanations (Elsbach, 1994; Marcus & Goodman, 1991; Staw, McKechnie & Puffer, 1983). These can be applied either individually or collectively to form the basis of the communication strategy between the organisation and its stakeholders following the crisis event. A summary of these approaches is provided in Table 3. It is important to consider the different literatures from which crisis response is drawn as crisis researchers often draw from across these different response options in their empirical tests making comparison across studies more difficult.

Table 3: Strategy categorisation by focus

Approach	**Crisis Response Strategy**	**Normalising Account Category**	**Focus**
Defensive	Nonexistence strategies	Denial	Modify public perceptions of responsibility
	Distance strategies	Excuse/Justification	
	Ingratiation strategies	Explanation	Modify perceptions of organisation
Accommodative	Mortification strategies		

Refocusing on Responsibility: Drawing Strategy and Responsibility Together

Taking the approach outlined in Table 3 one step further, Coombs (2007) refocused on the paramount positioning of attributions of responsibility in a crisis event. He suggests all crisis strategies be considered in light of the way they influence stakeholder impressions of responsibility and signal the organisation's position on its level of responsibility. Hence, the SCCT model has reconfigured the previous categorisations of strategy (see Table 3) to better emphasise the links with responsibility (see Table 4). Coombs (2007a; 2007b) has suggested three major categories or postures for crisis response be adopted: deny, diminish and deal with the latter renamed and split into two categories of rebuilding and bolstering (although the original name of 'deal' continues to be accepted in recently published literature, see for example, Thiessen & Ingenhoff, 2011).

Table 4: Categories of response and their recommended use in a crisis situation

Continuum Approach	**SCCT Category of Response Option**	**Level of responsibility demonstrated by organisation in response**	**Recommended for use at assumed level of stakeholder attribution of responsibility**
Defensive	Deny	Low	Low
	Diminish*		
Accommodative	Deal (Rebuild)*	High	High

**Supplemental bolstering strategies available*

Strategies within the denial posture seek to frame the crisis by removing any connection between the organisation and the crisis or suggesting the crisis doesn't exist. Specific strategies within this category include attacking the accuser (which may also include a threat to use legal force), denying that any crisis exists or scapegoating where blame is based to a third party. Tests of these strategy options (Coombs, 2006) suggest they all cluster together in showing low levels of responsibility taken for the crisis and no support for victims. A content analysis of of news coverage in three major American newspapers (*New York Times, Washington Post, USA Today*) of crisis events in 2006 found that the denial strategy was the most prevalent of the three postures reported (An et al, 2011). This type of evidence suggests the strategy is well used as a response strategy by corporations.

Strategies within the diminish posture suggest that the crisis is not as serious as people may expect or that the organisation lacked control over the crisis. These strategies include providing an excuse which may encompass denying intention to do harm or suggesting that the organisation had no control over the events that led to the crisis (Coombs, 2007b) or providing a justification which tries to minimise the perceived damage from the crisis. Tests of these strategy options (Coombs, 2006) showed that they also clustered together with higher levels of responsibility taken for the crisis and more support provided for the victims than the deny strategies.

The deal/rebuilding/bolstering strategies accept responsibility and either try to shift attention to things other than the crisis (bolstering posture) or try to bring the negativity associated with the crisis to an end by offering compensation or apologising (rebuilding posture). Specific strategies included in this category vary in different formulations of the SCCT (see for example, Coombs, 2006; Coombs, 2007b). Generally however, the rebuilding posture includes strategies such as compassion/compensation where the organisation provides money or gifts to the victims and apology where the organisation takes full responsibility for the crisis and asks forgiveness (Coombs, 2007b). Pace et al (2010) have identified challenges with research on the apology strategy as different studies over time have used different formulations of an apology, either with or without responsibility stated and/or with or without forgiveness requests. While the rebuilding posture reinforces full apology (Coombs, 2007b) and Pace et al (2010) confirmed the strength of the full apology in achieving the strongest reputational protection, the earlier version of the full deal response options included concern and regret (Coombs, 2006) where the organisation expressed concern for the victims and a later study used sympathy (Coombs & Holladay, 2009) where expressions of sadness, thoughts and prayers for the victims were used. Taken together, these additional strategies may be considered a 'partial' apology (Coombs, 2007b; Patel & Reinsch, 2003) and therefore may not have the weight of a full apology (Pace et al, 2010), however, such a partial apology may reduce the legal liability for the organisation and therefore provide other benefits.

The bolstering posture has been presented as including reminding/ingratiation where the organisation praises stakeholders or reminds them of past good works by the organisation, and victimage where the organisation explains how it too is a victim of the crisis. Very limited use of the last strategy is recommended (Coombs, 2007b). While Coombs (20007b) suggests the bolstering strategies, sometimes referred to as the reinforcing strategies (Coombs, 2009) are supplemental to the other three postures and can be used with both the diminish and rebuilding areas, a number of the specific bolstering strategies were found in an earlier study to cluster with the rebuilding strategies on levels of responsibility (see for example, ingratiation in Coombs, 2006) suggesting the need for further understanding of the stakeholder perspectives of these supplemental strategies. Thus, in this study, strategies will be

selected from both the rebuilding and bolstering postures to aid in the confirmation of similarities or differences in these approaches.

While responsibility judgments are central to finding congruence between stakeholder expectations and organisational action, it is also still important to consider how an organisation can use its own characteristics and actions to protect its reputation and legitimacy. By using the deny and diminish categories, the organisation is trying to reduce the responsibility assigned to it as the ascribed levels of responsibility are still relatively low in stakeholders' minds. Coombs (1998) suggests an organisation should focus more on its characteristics and actions when the perceived level of responsibility is high. Stakeholder attributions are difficult to change generally but at heightened levels of negativity, attempts to lower responsibility may be fruitless (Coombs, 2007). While the deal strategy category does not reduce responsibility, it helps the stakeholders to assess the organisation with regard to its acceptance of the need to take greater responsibility for violating societal norms.

Kim et al (2009) have suggested caution may be needed in dealing with the more accommodative end of the response spectrum and predicting the benefits of achieving congruence with stakeholder expectations on responsibility. Their experimental research with undergraduate students examined the impact of an organisational response framed around corporate ability which focuses on product-relevant dimensions such as quality and service orientation compared with an organisational response framed around social responsibility and ethical orientation. Both responses involved an apology and then focused on the particular aspect as described. These responses were tested in two crisis clusters (accident and preventable) but also used two contexts for the crisis (food poisoning and laptop battery explosion). Their findings provided limited support for the theoretically proposed positive outcomes on organisational responsibility of using accommodative strategies. In particular cases such as in the accident cluster when the context was food poisoning, their findings suggested that organisations providing responses that encapsulated a socially responsible approach were penalised more than companies that didn't and just focused on their past product quality. As the researchers suggest, 'making nice does not always offer a return on investment when particular crisis circumstances arise' (Kim et al, 2009, p.88). The results were not stable across the

crisis contexts and clusters which may suggest the confounding influence of the context itself, that is, stakeholder judgments may be influenced by their assumptions behind food poisoning when compared with a laptop battery explosion, so further research across clusters and contexts is needed.

The methodological challenges highlighted by Fediuk et al (2010) impact research on how crisis strategy might influence the assignment of responsibility in a crisis event. Coombs (2006) tested stakeholder understanding of the accepted level of responsibility in different strategy options (see Table 4). The theoretically developed strategy postures were found to accurately predict different levels of accepted responsibility, however, the sample size for the experiment was relatively small as acknowledged by the researcher (Coombs, 2006). While it is important to test all assumptions of the model, it was perhaps not unexpected that a statement by an organisation claiming full responsibility was seen by stakeholders as demonstrating a high acceptance of responsibility by the organisation. It could be argued that of greater interest to crisis managers is how stakeholders perceive the organisation's strategy in terms of their original attributions of responsibility as determined by the crisis type and the subsequent effect this has on their impressions of the organisation. This raises the question of whether the strategy achieves congruence by meeting their expectations of organisational responsibility or whether the strategy influences their views so that the company was seen as less responsible or more responsible. Coombs (2006) has acknowledged that a clearer understanding of how stakeholders react to crisis response strategies is needed in order to better predict their relevance in different situations and this is the focus of this study. Measures of organisational responsibility are taken at different time points to see the impact of strategy on these assessments.

While there is some preliminary evidence in the crisis research literature to support the perspective that different crisis responses lead to different stakeholder impressions of organisations, the explicit link with organisational legitimacy is less clear. Much of the crisis research is based on reputational theory and uses reputational scales to identify impact (see for example, Benoit, 1995; Dean, 2004; Lyon & Cameron, 2004). This study seeks to confirm the validity of the theoretically predicted responses for reputation protection (see Table 4) where the response is matched with the level of initial attribution of responsibility while also

testing the applicability of the response categorisation to legitimacy protection. This builds on the legitimacy and crisis research of Massey (2001) and Allen and Caillouet (1994). In doing so, it will revisit whether the primary influence of strategy on reputation and legitimacy is a direct one or an indirect one through the mediating factor of attributions of responsibility. Retesting this proposition for clarity is appropriate given the centrality of responsibility to the SCCT model and its key focus in determining the response postures.

Given a crisis strategy is never enacted without a particular crisis in operation and the first level of stakeholder attribution of responsibility has been demonstrated to be linked with crisis type through its crisis cluster (Coombs, 1998), this study also examines the cluster and strategy components together, thus testing the predictions of the SCCT model for both matched and mismatched strategies as outlined in Table 5. Tests of these interaction effects are limited (Claeys et al, 2010; Kim et al, 2009) and not clearly demonstrating the theoretical assumptions of the SCCT. Further testing is important to guide the further development of crisis communication models if they are to be used confidently by crisis managers.

Table 5: Matched and mismatched response recommendations in SCCT based on crisis cluster

Crisis cluster	**Assumed Level of Stakeholder Attribution of Responsibility by Crisis Cluster**	**SCCT recommended response based on first level attribution of responsibility by cluster (matched response)**	**Mismatched response**
Victim	Low	Deny	Diminish/Deal
Accidental	Medium	Diminish	Deny/Deal
Preventable	High	Deal	Deny/diminish

While Coombs (2007) has continued to develop the SCCT model along the logic chain that the crisis cluster predicts early levels of responsibility which can be used to predict the reputational outcome based on different strategies, research by others

suggests the predictive powers of the SCCT model need further refinement. In an earlier study of how responsibility and response lead to stakeholder evaluations and resultant images of organisations, Bradford and Garrett (1995) reported that theoretically matched categories which are nearly identical to those of the SCCT model did not show the outcomes expected, with the exception of one category of matched response which closely aligns with the preventable/deal match in SCCT. In using the language of the SCCT model, the majority of matched responses showed no statistically different outcomes on images of organisations than the mismatched responses.

Lee's (2004) study of matching in impression management strategies also showed that different categories of strategy did not always show statistically different outcomes as predicted, nor support the intention of favourable outcomes through matched responses. Using 385 participants responding to hypothetical scenarios describing a plane crash in Hong Kong, Lee investigated the outcomes of five different strategies and a no comment condition on judgments of organisational responsibility and impression of the organisation which is closely linked to its reputation. The minimisation strategy of claiming the consequences of the crisis were not as bad as portrayed aligns with the diminish strategy in the SCCT. In the accident situation described above, this strategy saw a significantly higher level of responsibility assigned by the participants when compared with the mismatched denial strategy of scapegoating and the mismatched strategies of apology and compensation. The recommended strategy also recorded a higher level of responsibility than the no comment condition. There was no significant difference on negative impression of the organisation between the minimisation strategy and the denial strategy.

A more recent study by Haigh and Dardis (2008) similarly found inconclusive results for matched and mismatched responses on reputation. Their study with 189 undergraduate students tested five strategy options in an accidental cluster crisis which involved the recall of a chocolate bar by a fictitious company. While the matched strategy produced a positive outcome, the two most accommodative strategies (corrective action and mortification) did not consistently produce significantly different outcomes than the most defensive strategies (denial and evade responsibility), despite trying to do very different things.

Given the match vs mismatched structure relies on a matching of cluster and strategy, an interaction effect in experimental studies would be expected to demonstrate the predicted outcomes. Claeys et al's (2010) study with Belgian consumers also found no interaction of crisis cluster and crisis response strategies on reputation when testing all three crisis clusters against different crisis responses drawn from each of the response postures. Claeys et al study differed slightly from the earlier tests as it used a combination of strategies instead of single responses, however the combinations were drawn from within the same posture so theoretically they should have been communicating similar positions.

While primarily focusing on strategy in relation to corporate versus spokesperson reputation, Verhoeven, Hoof, Keurs & Vurren (2012) also recently found non-significant results for the effect of response strategy on corporate reputation across two crisis clusters of accidental and preventable crisis. Their study using hypothetical events at a hospital focused on the mortification strategies and found a significant main effect for crisis cluster (which linked to levels of corporate responsibility) but no statistically significant interaction of strategy and crisis cluster on corporate reputation (Verhoeven et al, 2012).

Another recent study by Brocato et al (2012), also primarily considering the difference in stakeholder perceptions of the corporation versus its CEO spokesperson, confirmed no statistical difference between the outcomes for the match/mismatch process across different crisis clusters. However, in the large scale Brocato et al study with nearly 800 participants, the strategies themselves did lead to differences in organisational impression and stakeholder satisfaction with the response when the clusters were collapsed. Further explanation of the impact of strategies will be enabled through the project described in this thesis as the variables will be measured across key time periods. This will help clarify the detailed impact of the individual strategies in their match and mismatch conditions within each of the three clusters.

While the focus of SCCT is on the matched response when compared with the mismatched responses, the differences in outcomes between the mismatched responses themselves also remain unclear. Depending on the particular crisis cluster being tested, one mismatch category may be considered an insufficient response and

the other mismatch category is considered an overreaction to the level of attributed responsibility for the selected crisis cluster. As such, significantly different outcomes would be expected. However, Dardis and Haigh (2009) found no significant differences between the two mismatched responses of denial and accommodation in an experimental condition despite them trying to achieve totally different ends. This study will retest this proposition through the full testing of the match and mismatch conditions across the three crisis clusters as well as the testing of any impact across time.

Current research would suggest that within a strategy category, individual strategies do not produce statistically significant difference in outcomes (Coombs & Schmidt, 2000; Lee, 2004). This is the assumption under which they are clustered together. However, the legal implications of selecting the different recommended strategies to be used in a crisis from the preventable category for example are quite significant and, therefore, further guidance in this area is needed to give comfort to crisis managers. Strategic ambiguity may be the main legal focus for any communication during a crisis (Huang & Su, 2009) which is more possible with some of the strategies than others. Claeys et al (2010) have called for further research on the strategies within each cluster given the potential impacts of strategy selection on organisational outcomes. Responding to this call, the impact of a number of different individual response strategies from the deal category have been tested in this study. They have been applied in their matched cluster of preventable crises.

Cluster, Strategy and Responsibility: Relevant Research Questions and Hypotheses

The literature review has highlighted the gaps in the relevant literature surrounding the protective powers of crisis response strategy when enacted in different crisis events and the role attributions of responsibility plays in enhancing or reducing these powers. Of particular note is the need to seek further clarification of the impact of strategy on reputation and legitimacy damage which can be assessed more specifically by looking at shifts in reputation and legitimacy from pre-crisis states through to post-crisis response.

These shifts may highlight three potential outcomes and goals for strategy implementation: a lack of protection against damage through a lowering in assessments of reputation and legitimacy over time; protection of reputation and/or

legitimacy through no further damage outside that associated with the event itself; and repair to reputation and legitimacy which would see a return of these measures to pre-crisis levels or above. Protecting itself from further damage is the minimum goal of an organisation in crisis immediately following the crisis event. Recovery to its original position or enhancement of this position through the opportunistic nature of crisis are more lofty goals and may also take some period of time post-crisis to achieve. Given the immediacy of the pre and post-crisis timeframe being assessed in this study, hypotheses have been set to reflect the minimum goals as predicted by the relevant crisis models. This also reflects Elsbach's (1994) study on legitimacy which considered the protective powers of strategy in maintaining legitimacy following negative events. Such an approach accepts a decline in stakeholder perceptions of reputation and/or legitimacy following a crisis event which represents the first measurement of the damage potential but expects no further increase in damage potential if the strategy is appropriate to the situation. Thus the theoretically matched strategies should do nothing to increase this damage potential as congruence with stakeholder expectations is achieved. As an added benefit, they may be successful in reducing the damage level as evidenced by improvements to stakeholder assessments of reputation and legitimacy over time.

From this review, the following questions have been posed and hypotheses determined to guide this study's exploration of the protective powers of different crisis response strategies.

Research Question 1

How do crisis response strategies used in response to crises from different crisis clusters influence stakeholder perceptions of organisational reputation and legitimacy?

Hypothesis 1.1

A matched crisis response (as outlined in Table 6) will maintain the level of stakeholder perceptions of organisational reputation and legitimacy recorded immediately following the crisis event.

Hypothesis 1.2

A mismatched crisis response (as outlined in Table 6) will not maintain the level of stakeholder perceptions of organisational reputation and legitimacy recorded immediately following the crisis event.

Hypothesis 1.3

All of the matched crisis responses used in a crisis from the preventable cluster will have the same influence on organisational reputation and legitimacy.

Table 6: Matched response by crisis cluster

Crisis type cluster	**Matched response**	**Mismatched response**
Victim	Deny	Diminish/Deal
Accidental	Diminish	Deny/Deal
Preventable	Deal	Deny/diminish

Given the centrality of responsibility to crisis models in general and the formulation of both the crisis clusters and the theoretically determined response strategies within the SCCT framework, research questions and hypotheses have also been developed to clarify the role that responsibility plays in stakeholder assessments of organisations in crisis. While the first set of research questions consider the main effects within the SCCT model, the second set of questions consider the indirect effects through the potential mediating role of responsibility. Previous tests have shown support for both the direct and indirect effects within the model (Coombs & Holladay, 2002; Coombs, 2007), however, the direct tests have been stronger. The focus in this study of examining these effects over time through the lens of reputation and/or legitimacy damage rather than at a post-crisis point used in the earlier studies invites a revisiting of these relations and a retesting of the mediation role.

Research Question 2

> *How does responsibility mediate the influence of response strategies used during crises from different clusters on stakeholder perceptions of organisational reputation and legitimacy?*

To capture the essence of this research question, this study hypotheses that:

> *The effect of response strategies used during crises from different clusters on stakeholder perceptions of organisational reputation and legitimacy is mediated by perceptions of organisational responsibility.*

Thus when perceptions of responsibility change, a subsequent change in perceptions of reputation and legitimacy should be seen. The direction of this subsequent change is dependent on two aspects: the implied purpose of the strategy and the impact of the assumptions underlying the different clusters. Therefore a strictly linear relationship for all cases is not hypothesised. Different tests of this hypothesis are represented across the different experiments in this overall study as they allow the discrete testing and interrogation of each part of the mediation path. Read together, these experiments provide a detailed context through which to understand the mediating effect of responsibility between strategy and cluster and reputation and legitimacy and the levels of influence of this effect. Rather than create discrete hypotheses for each possible combination of cluster and strategy researched across the six experiments in this study, two broad hypotheses are used in this study to recognise the relationship between changes in responsibility and reputation and legitimacy. While not specifying the complete mediation path, they should be read in the context of an expectation that changes in responsibility will lead to changes in reputation and legitimacy. Similarly, a lack of change in responsibility should lead to no change in reputation and legitimacy. The third hypothesis supports the approach of the two broader hypotheses but deals with the conditions in one particular experiment, Experiment 3.

Hypothesis 2.1

> A matched crisis response will maintain the level of stakeholder perceptions of organisational responsibility and will subsequently maintain the level of

stakeholder perceptions of reputation and legitimacy recorded immediately following the crisis event.

Hypothesis 2.2

A mismatched crisis response will not maintain the level of stakeholder perceptions of organisational responsibility and will subsequently not maintain the level of stakeholder perceptions of reputation and legitimacy recorded immediately following the crisis event.

Hypothesis 2.3

All of the matched crisis responses used in a crisis from the preventable cluster will have the same influence on organisational responsibility, reputation and legitimacy.

Research Question 3

How does an organisation's responsibility for a crisis affect stakeholder perceptions of its reputation and legitimacy?

Hypothesis 3.1

An organisation that is fully responsible for a crisis will be judged by stakeholders as having a lower level of reputation and legitimacy than an organisation that is not responsible for a crisis.

The key research on the first three influencing factors of crisis cluster, organisational responsibility and crisis response strategy has been summarised and the role this study will play in progressing the understanding of these factors through further empirical testing explained. The literature review will now address the fourth key influencing factor on stakeholder perceptions during a crisis event and demonstrate its relevance to this study.

Influencing Factor 4: Situational Factors and their Roles as Intensifiers

While the initial goal of the research informing SCCT and other crisis models (see, for example, Rhee & Valdez, 2009) was to identify the relevant factors that might influence the crisis situation, the more advanced goal was to understand how their

influence worked. This led to Coombs (2006) suggesting that some factors at the time of crisis may change the way the initial mapping of a crisis cluster and its matched strategy operated. Because these factors might lead to a different outcome, they were deemed to have an intensifier effect (Coombs, 2006), that is, they intensified the environment in which stakeholder perceptions were made. Rhees and Valdez (2009) have considered these factors as contextual as they provide the context through which the judgments are made. Kim et al (2009) also emphasised the need to consider a wide range of influencing factors involved in any crisis situation albeit they position this need through the lens of contingency theory (Cancel, Cameron, Sallot & Mitrook, 1997; Cameron, Pang & Yin, 2008). This theory suggests that when conflict arises, the parties involved need to select an approach to how they will respond with the options for this ranging from accommodative approaches or making concessions through to advocacy approaches which involve advancing the organisation's position. These factors all contribute to the way stakeholders understand the organisation in crisis through the value of salience as they are derived from an individual's experiences and reinforcements from previous situations (Cutlip, Center & Broom, 2009).

When intensifiers are acting on the crisis situation, the organisation will suffer greater reputational damage than when they are absent. The intensification effect may act indirectly by intensifying attributed responsibility which then affects reputation or intensifying the reputational threat directly. A range of situational factors have been suggested as having potential intensifier effects including severity of damage (Coombs, 1998); source credibility (Lyon & Cameron, 1998; Verhoeven et al, 2012), and performance history as a superconstruct with the subparts of crisis history (Coombs & Holladay, 2001) and relationship history (Coombs & Holladay, 2001). Based on the theory of image cultivation where an organisation builds its image credits with positive performance (Coombs, 1998), organisations with a history of positive operating performance and good deeds should find it easier to maintain a positive image during a crisis. When a crisis hits, image credits are used to offset the reputational damage generated by the crisis (Birch, 1994; Druckenmiller, 1993; Siomkos & Shrivastava, 1993). Conversely, an organisation with a history of poor performance will see the image damage amplified rather than offset. The poor performance history leads the public to be more critical because the

crisis is part of a negative pattern of behaviour. Some support has been found for this assumption (Coombs & Holladay, 1996; Griffin, Babin & Attaway, 1991). In their experiment with 196 university students, Griffin et al used a crisis scenario of food contamination to test the effects of a crisis event as an isolated incident or part of a pattern of events for a fast food chain. They were interested in how this crisis history affected consumer attitudes towards companies and purchase intentions. Their results showed the crisis history affected consumer attitudes but there was no significant difference between the purchase intentions of those in the group who were told the crisis event was an isolated incident and those who were told the company had experienced a number of previous crises.

Experimental treatment of the intensifier factors has led at best to weak if not inconsistent effects being shown (see for example, Lee, 2004 in rejecting severity of damage) and in some cases, no effects at all (Brown & White, 2011) resulting in the need for a more detailed analysis of the intensifier phenomena. This study contributes to the refinement of the influence of intensifier effects. It focuses on one of these effects - the relationship history construct. The direct effects of relationship history were tested not only on reputation as in previous experiments but also on legitimacy as well as the indirect effects through the mediating variable of responsibility. The pre and post-test nature of this study's design can help clarify the effects of this important construct.

The development of the relationship history construct will now be discussed and this study's approach to an expanded nature of the relationship history variable explained.

Relationship History as an Intensifier

Relationship history, or what has also been defined as prior relationship reputation (Coombs, 2007, 2010), remains an under-researched intensifier (Brown & White, 2011). Where a crisis is viewed as an episode in a larger relationship between an organisation and its stakeholders (Coombs, 2000), the preceding relationships and the post-crisis relationships become important in understanding the overall organisation-stakeholder relationship. Marra (1998) proposed that the maintenance of pre- and post-crisis relationships is important to the success of crisis communication planning and execution. Drawing from the relational perspective

outlined earlier, crisis researchers (see for example, Kim & Lee, 2005; Lee, 2007; Seeger, 2006) have sought to understand the impact of prior relationships on the organisation's ability to effectively manage its crisis response.

In one of the first major tests of the construct, Coombs and Holladay (2001) found that relationship history accounted for nearly three times the amount of the variance in organisational reputation than that accredited to a different intensifier of crisis history. Using crisis vignettes to test the impact of relationship history, organisations judged by stakeholders to have poor stakeholder relationships prior to a crisis event were perceived as having greater responsibility for that crisis event whether they were responsible or not, however, the variable effect was small and requires further testing. Such organisations also suffered a stronger effect on their reputation post crisis than those with good stakeholder relationships, however, their study did not assess changes in judgments on reputation, just comparative measures of different treatments on reputation at a point in time.

Jeong (2009) examined relationship history through the lens of distinctiveness with high distinctiveness (positive relationship history) being assessed against low distinctiveness (poor relationship history) in relation to its impact on internal and external attributions of responsibility for a crisis event. Jeong designed an online experiment based on a real case study following an oil spill incident in South Korea in late 2007. A barge owned by the multinational conglomerate, Samsung, hit an oil tanker. The 180 South Korean adults who participated in the study read a news article that either showed Samsung as having a history of good corporate social responsibility (high distinctiveness), being involved in unethical management (low distinctiveness) or no information at all (control condition). The results from the experiment showed that information on a negative relationship history led to greater internal attributions of responsibility for a crisis event which mediated the effect of distinctiveness on punitive opinions and behaviour against the organisation. The greater internal attributions mean that the participants were holding the organisation more responsible for the crisis event. This study is informative on the possible path of influence of an intensifier, however, Schwarz (2008) cautions about conflating the distinctiveness construct from Kelley's co-variation theory with relationship history without recognising the complexities of both constructs. In a further study, Brown and White (2011) investigated organisation-public relationships by examining actual

relationships within their experiments. This differed from most other studies where imagined relationships are used through case studies or hypothetical company designs. Brown and White tested the student-university relationship and found that students who had a positive relationship with their university were less likely to blame it for a crisis. Interestingly, this lower attribution of responsibility was found regardless of the crisis response strategy used by the university, leading Brown and White to conclude that maintaining positive relationships may be more important than the response strategy a company in crisis uses.

The Confounding Nature of Multistakeholder Perceptions of Relationship History

Organisations have relationships with many different stakeholders and the status of each relationship is likely to vary depending on the organisational goals. For example, a company may have good relationships with its shareholders because it makes high profits and dividend payouts but it may do so by treating its employees poorly, hence its relationship with its employees may be poor. A contemporary example of this paradox can be found in the Australian banking industry where rewards for shareholders through high interest rates are heavily criticised by consumers and various levels of government. While a number of researchers (see for example, Brown & White, 2011; Coombs & Holladay, 2001; Lyon & Cameron, 2004; Kim & Lee, 2005) have sought to advance research in this area by exploring the influence of relationship history in a crisis event, this research rarely addresses the multistakeholder nature of organisation-public relationships directly.

While informative in considering the impact of relationship history in crisis events, the results of Coombs and Holladay's (2001) major test of relationship history cited in crisis research using the SCCT framework may be confounded by this multi-stakeholder relationship frame. In their research, they took a multi-component approach to the variable of relationship history without subsequent analysis of the component parts. In the description of relationship history, the researchers describe two separate relationships with two separate stakeholder groups, employees and the community. However, the testing of the variable collapsed these two components to one. This approach was also followed by Lyon and Cameron (1998; 2004) in their two experiments on relationship history. The assumption in the findings appears to

be that organisations either have all good or all bad relationships with their stakeholders.

The ability to explore relationships with every type of stakeholder is outside the scope of the study described in this thesis. However, the study design has attempted to avoid the challenges that arise by assuming the evaluative nature of relationships with one set of stakeholders is the same as with every other set of stakeholders. This study has restricted the description of the stakeholder relationship to one stakeholder type: the community. Thus the nature of relationship character within organisation-community relationships was explored to retest the assertions made in the previous limited research on relationship history in crisis events.

Reconsidering the Nature of Relationship History: Relationship Character and Organisational Age

The test of relationship history in the previously cited experiments is one of the evaluative quality of relationship character, that is, how good or bad is the relationship between an organisation and its stakeholders. While relationship character has the pre-eminent position within the relationship history construct, Rhees & Valdez (2009) have identified organisational age as a further contextual factor which may work with the evaluative quality of the pre-crisis reputation in impacting an organisation's reputation-repairing activity.

Organisational age has been theoretically linked with the development of organisation-stakeholder relationships (Hannan & Freeman, 1989) as well as their evaluative quality (Stinchcombe, 1968). New organisations have limited stakeholder relationships, thereby placing them at risk of challenges to legitimacy (Aldrich & Fiol, 1994). Given the importance of relationships on stakeholder perceptions post-crisis (Coombs & Holladay, 2001), a new organisation may face a higher risk of poor stakeholder perceptions than an established organisation as it is yet to not only develop a network of relationships but establish those relationships as positive. It is, in effect, operating without the 'safety net of interorganizational linkages and trust' that comes with age (Kor & Misangyi, 2008, p. 1347). Therefore, a new organisation will need to consider its response options carefully to try and minimise the potential intensifier effects of negative relationship history on its legitimacy standing. Stakeholder attitude to organisational age has not been tested

explicitly in the crisis research on relationship history (see, for example, Brown & White, 2011; Coombs & Holladay, 1996; Lyon & Cameron, 2004). Different stakeholder perceptions informed by the age of an organisation may provide further explanatory depth to the impact of stakeholder relationships prior to a crisis event and the effect of an organisation's actions to deal with the impact of the crisis on its reputation and legitimacy.

Initial work in this area has been done by Massey (2004) in testing the effects of different types of operations on the legitimacy standing of organisations in crisis. Using niche-width theory, Massey investigated whether generalist organisations with a broad spread of operations would be seen as more legitimate in a crisis situation than specialist organisations with a limited focus. He characterised specialist organisations as young and generalist organisations as older and included this information in his experimental stimuli material. Massey's experiments showed a difference for the specialist versus generalist firms on legitimacy judgments. However, the age factor was not specifically controlled for in the methodology and therefore the results could have been confounded by the multi-faceted nature of the constructs being tested. The study reported in this thesis extends the theoretical modelling of Rhee & Valdez (2009) on the importance of an age related variable in the crisis context and Massey's (2004) initial testing on impacts on legitimacy during crisis by specifically testing for age under an experimental design. It extends Massey's test on legitimacy to ascertain if the age related variable is important to the other components of the SCCT model: responsibility and reputation.

Exploring Age-Related Variables through the Liability of Newness Concept and its Implications for Crisis Research

New organisations are vulnerable to shifts in their environment as they possess limited supportive exchange relationships with other significant organisations and stakeholders and they lack endorsement by powerful associates. They are 'isolated' (Hager et al, 2004, p.160) without the stakeholder connections to overcome the hazard that comes with their youth. Organisational ecologists have undertaken extensive studies on the founding and death rates of organisations. The impact of age on organisational death rates has been theorised and tested empirically by many researchers (see for example, Carroll & Delacroix, 1982; Freeman, Carroll, &

Hannan, 1983; Hager, Galaskiewiez & Larson, 2004; Halliday, Powell & Granfors, 1987; Singh, Tucker & House, 1986;), in many contexts including for-profit and nonprofit entities, labor unions, semiconductor producers, trade associations, bar associations and local newspapers and withstood controls for liabilities of size (Aldrich & Auster, 1986; Audretsch & Mahmood, 1994; Freeman, Carroll & Hannan, 1983) and population heterogeneity (Carroll & Delacroix, 1982). This long history of research has established that younger organisations have a greater propensity to die, suffering from what has been termed a liability of newness (Stinchcombe, 1965).

A review of the research on the relationship between organisational age and survival rates for organisations suggests three possible models. The liability of newness model suggests an exponential relationship with the death risk declining monotonically with increased age (Freeman, Carroll & Hannan, 1983; Hannan & Freeman, 1989). While Stinchcombe (1965) claimed the liability to be universally applicable, other research suggests a curvilinear relationship between organisational age and rates of failure. This relationship has been termed the 'liability of adolescence' (Bruderl & Schussler, 1990; Fichman & Levinthal, 1991; Mahmood, 2000; Strotmann, 2007) and suggests that the risk is low at very young ages from a few months to about two years (the honeymoon period) before rising to a peak and then declining, reflecting an inverted U-shaped pattern. This low start risk may be dependent on the initial stock of resources acquired at founding which provides an initial buffer (Bruderl & Schussler, 1990). Such resources could include a range of organisational assets such as favourable prior beliefs, trust, goodwill, financial resources and psychological commitment (Fichman & Levinthal, 1991).

The exact length of the liability period is difficult to establish and may vary among industry sectors and the technology status of the organisation, however, some studies (see for example Mahmood (2000) who studied four major industry sectors in the United States across a decade) have suggested the maximum effect of the hazard to be around two to three years post-founding while Cafferata et al (2009) in their extensive literature review of relevant empirical studies point to the hazard of the first three to four years of organisation life. Massey (2001) in his study of organisational niche theory and its link to legitimacy used a similar period, setting the hypothetical company age for a new organisation at three years as did Choi and

Shepherd (2005) in their study of stakeholder perspectives of the different dimensions of newness. This two to three year period common in the empirical research was used to guide the scenario developments in this study.

Common to both the newness and the adolescence perspectives is that the early years of a firm's life are the most hazardous and failure rates eventually decline with age with the main difference between the models looking at when the liability peaks. The third model however refutes this proposition and suggests that as firms age, their inertia leads them to become increasingly misaligned with their environment. This liability of obsolescence leads to higher failure rates so increased age increases the liability (Baum, 1989; Barnett, 1990; Barron, West, & Hannan, 1994; Ranger-Moore, 1997). Despite their differing approaches, Baum (1996) argues that these three perspectives should be treated as complementary rather than competing theoretical perspectives. He argues that this reconciliation of views relies on understanding contingency factors such as a firm's technology strategy which cause one or other of the models to predominate (Henderson, 1999). Sorensen and Stuart (2000) also highlight the firm specific nature of the obsolescence path, in particular exploring innovative activity.

Stinchcombe (1968; 2000) identified four main reasons to explain the liability of newness: new roles and tasks have to be learned at some cost to the organisation; new roles have to be invented which may conflict with constraints on capital or creativity; social interactions within a new organisation resemble those with strangers and a common information structure may be lacking; and, stable links to clients, supporters or customers are not yet established. It is the last two of these four reasons which emphasise 'relational wealth based on long-term relationships' (Preston & Donaldson, 1999, p. 619) that substantially inform this study.

As Stinchcombe (2000) argues, relations with strangers lack trust, thus relations are 'much more precarious in new than old organisation' (p.232). Social structures such as the rule of law can be used to reduce some of the liability of newness attached with dealing with strangers. The stability of ties between organisation and customer for an older organisation is one of its major resources (Stinchcombe, 2000) and one which creates significant barriers of entry to new ventures. Choi and Shepherd (2005) established that there was a stronger relationship between age and customer

support than for other types of stakeholders such as employees or investors. In their study, customers had a stronger preference for older organisations than did employees and investors, perhaps reflecting the reliability of product quality and service associated with older companies.

Organisations can overcome the vulnerability to newness by developing internal and external legitimation processes, thus cementing the links with key stakeholders and gaining powerful supporters (Stinchcombe, 1965). Rao (1994) found that issues of legitimacy were likely to be of paramount importance both prior to creation and early in the life of an organisation. In a study of social service organisations, Singh et al (1998) found that the acquisition of external legitimacy corresponded to a substantial reduction in the 'hazard of death' (p. 174). Organisations that were externally legitimate saw a reduction in their operational risk earlier in their development whereas organisations that were not externally legitimated continued to operate in a high risk environment or were placed at an even higher risk rate as they aged. More importantly for this study, the loss of legitimacy through some event changed the benefit that came from maturity to a further liability for the organisation (Singh et al, 1986, p. 189). Thus, the liability of newness is not an invariant law (Fichman & Levinthal, 1991). Instead, it is contingent on factors such as external legitimacy. For these tests, Singh et al relied on institutional support as a demonstration of external legitimacy as assessed through event-history analysis (Tuma, Hannan & Groeneveld, 1979) of regulatory forms such as business registration or official directory listings. The perspectives of other key stakeholders such as the consuming or shareholding publics were not tested.

A crisis event is a threat or challenge to an organisation's legitimacy (Coombs & Holladay, 1996) by potentially challenging the relationships built with stakeholders over time (Chakravarthy & Gargiulo, 1998). A crisis event increases environmental pressures for new and established organisations, however, a new organisation faces such an event without the assistance of an established network of supportive stakeholders. Highlighting the dangers, Choi and Shepherd (2005) characterise the stakeholders of new organisations as 'voluntary risk bearers' who invest in the organisation through some form of capital at a time of significant risk. These stakeholders are likely to not be as 'numerous, well-established, prestigious or rich in resources' as those with an interest in supporting well established firms (Henisz &

Zelner, 2005, p.367). Thus, new organisations have few legitimacy reserves to buffer them from the shocks of environmental pressures (Galbraith, 1973).

Ashforth and Gibbs (1990) suggest that an organisation suffering from the liability of newness will be scrutinised more closely by its constituents. This may be critical in a time of crisis when organisational scrutiny is at its peak. Stakeholders will question whether an organisation is meeting normative expectations (Coombs & Holladay, 1996). Stakeholders will also consider the history of the organisation, taking into account not just its age but its actions since its inception (Freeman, Carroll & Hannan, 1983) which may be assessed through the evaluative nature of its relationships. A line of research on familiarity and visibility of an organisation has established this impact on an organisation's reputation and corporate equity (see for example, Brooks et al, 2003; McCorkindale, 2010), however such familiarity and visibility takes time to establish, hence favouring organisations with longer development histories.

If young organisations are more likely to be scrutinised in a time of crisis and they have not had sufficient time to build positive relationships with key stakeholders, there is an increased risk that their lack of a positive relationship history may create a negative frame through which their role in the crisis event is seen. Thus, organisational age (young or mature) and evaluative quality (positive or negative relationship character) may act together to influence the perceptions of stakeholders at the time of a crisis event and this influence may change the frame through which the crisis event would normally be assessed.

The Role of Relationship History: Relevant Research Questions and Hypotheses

This review has highlighted the need to better understand the dynamics of the relationship history construct given the relational management approach to crisis management. It has proposed a reconceptualisation of relationship history as incorporating both an evaluative judgment on relationship character and a consideration of an organisation's age recognising that relationships are built over time. For relationship history to act as an intensifier as proposed by Coombs and Holladay (2001), its influence on stakeholder perceptions of reputation and legitimacy either directly or through the construct of organisational responsibility needs to be established. This study not only retests the existing relationship history

construct in the SCCT model (Coombs, 2007) to refine our understanding of the potential intensifier effect but also tests the expanded version of the construct through also testing the impact of organisational age. Both components of the relationship history construct were identified and tested separately in the quasi-experimental design so that their specific influence can be identified. While most empirical tests for relationship history have assessed its impact on reputation, this study also tests the influence of relationship history on organisational legitimacy to identify whether legitimacy is impacted by intensifier effects in a similar way to reputation.

A further set of research questions and hypotheses were established to guide this study's testing of this area.

Research Question 4

How does an organisation's relationship history with its stakeholders influence stakeholder perceptions of its reputation and legitimacy?

Hypothesis 4.1

A mature organisation is more likely to have higher reputation and legitimacy scores than a new organisation.

Hypothesis 4.2

An organisation with positive prior stakeholder relationships is more likely to have higher reputation and legitimacy scores than an organisation with negative prior stakeholder relationships.

Research Question 5

How do stakeholder perceptions of an organisation's responsibility mediate the influence of its relationship history on its reputation and legitimacy?

Hypothesis 5.1

A new organisation is more likely to be perceived as responsible for a crisis and is less likely to maintain its reputation and legitimacy from the time of the crisis than a mature organisation.

Hypothesis 5.2

> An organisation with negative prior stakeholder relationships is more likely to be perceived as responsible for a crisis and is less likely to maintain its reputation and legitimacy from the time of the crisis than an organisation with positive prior stakeholder relationships.

The Influence of Intensifier Effects on Strategy Outcomes

If an intensifier effect is operating and the frame through which the organisation and the crisis event are assessed is being influenced, the ability of a response strategy to influence stakeholder perceptions of responsibility for a crisis event and the organisation's reputation and legitimacy may be affected. That is, the 'protective powers' (Coombs, 2006, p. 245) of the strategy may be reduced. As outlined earlier, the intensifier effect increases the risk to reputational damage either indirectly by increasing or decreasing attributed responsibility (Coombs, 2004; Coombs & Holladay, 2001) or by acting directly on reputation (Coombs, 2006). Both these possibilities are explored in this study.

Lyon and Cameron (1999) raised the prospect of intensifier factors that could influence the effectiveness of crisis response strategies based on the results of an experiment which tested good and bad reputation with an apologetic and a defensive response strategy used by a company experiencing a crisis. The participants in the study assessed the reputation of the organisation. Their findings suggested that organisations with a negative reputation that undertook a theoretically predicted appropriate response (matched response) achieved the antithesis of the theoretically predicted outcome: that is, they suffered even further damage to their reputation. Termed the paradox effect, this outcome raised two important points for crisis researchers: the validity of predictive models and the presence of a previously unidentified intensifier effect which modified stakeholder perceptions of the same action by two different organisations. A later experiment with 80 student and nonstudent adults (Lyon & Cameron, 2004) again testing positive and negative pre-crisis reputation for a clothing company with an apologetic or a defensive response strategy delivered through fictitious new stories failed to replicate the intensifier effect. It was again identified by Dean (2004) in his experimental study assessing how consumers react to negative publicity. While still in the early stages of being

fully tested within a crisis framework, this paradox may be explained by a trait negativity bias, that is, some information is weighed more heavily than others and, in certain combinations, may overshadow the impact of that other information (Kanouse & Hanson, 1972). The appearance of the paradox reinforces the need for further research in this area to explore the presence and impact of an intensifier effect on response strategy.

Table 6 has outlined the theoretically predicted response strategy based on the crisis cluster in which the crisis event falls. These have been termed the matched responses within the SCCT model and rely on congruence being achieved between the organisation's actions and stakeholder expectations. However, if an intensifier factor is changing the perceived level of responsibility for a crisis, the matched response may no longer be appropriate to match the initial stakeholder attributions of responsibility from the crisis event and therefore will no longer provide protection for the organisation's reputation and legitimacy. Despite their potential importance, Brown and White (2011) suggest few empirical studies have been undertaken on intensifier factors and their impact on attributions of responsibility for a crisis, whereas this information is needed to provide appropriate guides to crisis managers who are faced with selecting an appropriate response.

Reconsidering Strategy Selection

Coombs (2004) suggests that where an intensifier effect has been identified, a higher level response than the original matched response is required by the organisation to protect its reputation. For example, the intensifier effect requires an organisation categorised in the victim cluster to use the strategies recommended for an organisation in the accidental cluster because of the negative impact on stakeholder perceptions of responsibility caused by the intensifier variable. This can be illustrated by considering the intensifier variable of crisis history. An organisation which had previously been exposed to crisis events and was experiencing a crisis which would normally be characterised in the victim cluster would now be recommended to use a strategy that would normally be used for a crisis from the accidental cluster if it wanted to protect is reputation. A well cited case using this approach is the Johnson & Johnson Tylenol poisonings where the company used a higher cluster response in the second poisoning of Tylenol capsules, despite the fact

that it was a victim in both poisonings. The company realised that the same response would be inappropriate given it had a previous crisis in its history.

If relationship history acts as an intensifier effect as predicted by the SCCT model (Coombs, 2007), then it has the potential to impact the outcomes of theoretically predicted matched responses. If relationship history acts to increase responsibility and/or increase reputation damage, then an organisation being affected by the intensifier factor would need to implement a different strategy to that of an organisation that is not affected by the intensifier factor if similar protective outcomes are sought. The impact of the intensifier effects on response strategy selection is outlined in Table 7.

Table 7: Response strategy selection in the presence of intensifier effects

Crisis Cluster	**Matched Response**	**Recommended Response where intensifier effect is in operation**
Victim	Deny	Diminish
Accidental	Diminish	Deal
Preventable	Deal	Deal*

* There is no clear guidance on the intensifier effect once in the highest cluster. Neither Coombs and Schmidt (2000) nor Haigh and Dardis (2008) found any significant difference in effect for a range of accommodative strategies associated with the Deal category.

Coombs (2007), through the SCCT model, suggests crisis managers only use a one step up strategy selection in the presence of an intensifier effect. In contrast to this approach to strategy selection, crisis managers could consider always implementing the highest level accommodative responses as this would appear theoretically to be the safest way to achieve the best outcome (Elsbach, 2004). However, this response may prove to be the most costly in financial and legal terms. Empirical research, albeit limited, has shown that increased reputational gains from such a selection may also be a fallacy. Coombs (2007) notes that using overly accommodative strategies produces no greater reputational benefits than those identified as matched responses

under SCCT. Similarly, Siomkos and Kurzbard (1994) have shown that stakeholders may judge the crisis as worse than it is if the organisation responds so aggressively. While not testing the concept of an intensifier effect, Haigh and Dardis (2008) also found no benefit for an organisation in employing highly accommodative strategies over more mid-continuum ones, albeit their experiment used Benoit's image restoration strategies which vary slightly from the strategies proposed in the SCCT model. Their recommendation on the use of mid-continuum strategies is based on the assumption that these strategies allow the organisation to demonstrate engagement in the crisis situation without 'begging for forgiveness which may come across as a rather pitiful (or weak) stance' (p. 22), and thus not appeal to stakeholders. However, they acknowledge that empirical explanations of these dynamics are very limited and they and others have called for more testing of strategy options generally within a crisis cluster as well as across different crisis clusters (see for example, Haigh & Brubaker, 2010). These points illustrate the importance of further research in this area to provide stronger guidance on the most appropriate strategy selection in the presence of intensifier effects.

Examining the Protective Powers of an Organisation's Crisis Response in an Intensified Environment: Relevant Research Questions and Hypotheses

The final research questions and hypotheses for this study bring together the elements explored throughout this literature review to better understand the intensifier effect and the protective powers of strategy responses. This study tests the interaction of the crisis cluster, the strategy selection and the intensifier effect of relationship history, which considers both relationship character and organisational age, and its influence on stakeholder perceptions of an organisation's reputation and legitimacy. It examines this influence both as a direct effect and through the proposed mediator of organisational responsibility for the crisis event. For this study, a positive intensifier is proposed to operate for an older organisation that has a positive relationship character. A negative intensifier is proposed to operate on a new organisation that has a negative relationship character. This perspective retests and extends the initial work of Brown and White (2011) who failed to identify significant effects of different strategies on stakeholder attributions of responsibility in the presence of positive or negative organisation-public relationships. Their study did not extend to the impact of the intensifier effect on reputation or legitimacy

and only tested one particular crisis event. However, they have suggested that crisis managers should be focused on the 'perception of relationship predicted attribution of responsibility' (p.88) rather than any individual crisis response strategy, suggesting that 'positive relationships trump strategy' (p.88). As their study only measured responsibility at one time, it is still unclear whether there is discrimination by stakeholders between crisis event related attributions of responsibility and relationship predicted attributions of responsibility and how this difference may influence the specific outcomes of strategy options. This study will test stakeholder perceptions across different time periods allowing for better explanatory depth of the intensifier phenomena if it is present.

Research Question 6

How does an organisation's relationship history and its response to a crisis from different crisis clusters influence stakeholder perceptions of its reputation and legitimacy?

Hypothesis 6.1

In the presence of a positive intensifier, a matched strategy will at least maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

Hypothesis 6.2

In the presence of a negative intensifier, a matched strategy will not maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

Hypothesis 6.3

In the presence of a negative intensifier, a step up strategy will provide a more positive outcome than a matched strategy on stakeholder perceptions of reputation and legitimacy.

Research Question 7

How does responsibility mediate the influence of an organisation's relationship history and its response to a crisis from different crisis clusters on stakeholder perceptions of its reputation and legitimacy?

In line with the discussion under Research Question 2, this study hypothesises that:

The effect of an organisation's relationship history and its response strategies used during crises from different clusters on stakeholder perceptions of organisational reputation and legitimacy is mediated by perceptions of organisational responsibility.

As suggested under Research Question 2, rather than create discrete hypotheses for each possible combination of relationship history, cluster and strategy researched across the six experiments in this study, two broad hypotheses have been used to recognise the relationship between changes in responsibility and reputation and legitimacy. While not specifying the complete mediation path, they should be read in the context of an expectation that changes in responsibility will lead to changes in reputation and legitimacy. Similarly, a lack of change in responsibility should lead to no change in reputation and legitimacy. The final hypothesis addressing Question 7 supports the first two but deals with one specific test in Experiment 6.

Hypothesis 7.1

In the presence of a positive intensifier, a matched strategy will at least maintain stakeholder perceptions of responsibility and subsequently will at least maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

Hypothesis 7.2

In the presence of a negative intensifier, a matched strategy will not maintain stakeholder perceptions of responsibility and subsequently will not maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

Hypothesis 7.3

In the presence of a negative intensifier, a step up strategy will provide more positive outcomes than a matched strategy on stakeholder perceptions of responsibility and subsequently provide more positive outcomes than a matched strategy on stakeholder perceptions of reputation and legitimacy.

Conclusion

This review of foundational literature demonstrates the importance of reputation and legitimacy to an organisation in crisis and documents the gap in the extant literature on the effects of different organisational and situational factors that influence stakeholder perceptions of these organisational assets. Three specific factors - crisis cluster, crisis response strategies and relationship history (which represents both an evaluate quality through relationship character and an organisation's age) - have been reviewed and relevant empirical research that has guided theoretical development reported. Importantly for this study, it is the interaction of these factors that is proposed as an essential influence on reputation and legitimacy.

The role of stakeholder perception of organisational responsibility in a time of crisis has also been reviewed. This factor is identified as an important component in understanding the way stakeholders make judgments on reputation and legitimacy. This study will provide explanatory depth to the role of responsibility and its links to an intensified environment which may act as a frame through which stakeholders perceive the organisation in crisis and its actions. In doing so, this study refines the interactions of key organisational and situational factors currently suggested within the theoretical development of the SCCT model. While working primarily within this model, such research can inform the crisis management and response literature more generally as the components within the SCCT framework are contained in various forms in most crisis models.

The review has identified the gaps in the relevant literature which limit the ability of the current SCCT model and related crisis models to provide guidance on the protective powers of crisis response strategies. The empirical testing of the research questions and hypotheses drawn from these gaps will help maximise such protective powers through demonstrating the outcomes of the strategic selection of appropriate

strategies designed to protect reputation and legitimacy. The design for the testing of the presented research questions and hypotheses is outlined in the next chapter.

Chapter 3 Research Methodology

Based on the relevant literatures and the key research questions and hypotheses of this study, this chapter outlines the research methodology. This study contributes to knowledge of the factors that shape the selection of effective crisis response strategies and the impact of such crisis response on key organisational assets. The important role of stakeholder assessments of organisational responsibility for a crisis is a key focus as is how stakeholder perspectives change during the crisis period, reflecting the damaging nature (Coombs, 2006) of a crisis event.

Firstly, a rationale for the research design is provided. This discussion provides a rationale of the selection of the positivist paradigm on which the study is based. The research strategy and specific quantitative research methods used are then outlined, documenting the systematic approach taken to gather data that informs the research questions. Data analysis strategies are discussed to provide a framework for understanding the research findings outlined in Chapters 4-7. Strengths and limitations of the approach are recognised and presented for consideration, as well as ethical issues appropriate to the design.

Selecting a Research Paradigm

Research paradigms help researchers determine what problems are worthy of exploration and, most importantly, what methods are best suited to address such problems (Deshpande, 1983). Guba (1990, p.17) defines a paradigm as an 'interpretive framework or a basic set of beliefs that guides action'. As there is no agreed one way of knowing (Moses & Knutsen, 2007), researchers need to be aware of different frameworks and the impact of those frameworks on the interpretation of outcomes.

Different paradigms can be understood using a framework that denotes the research purpose, process, logic and outcomes (Hussey & Hussey, 1997). As outlined by Hussey and Hussey (1997), paradigms are grounded on a range of assumptions relating to areas such as ontology which looks at questions as to the nature of reality (Denzin & Lincoln, 2011), epistemology which explores what constitutes acceptable knowledge by understanding the relationship between the inquirer and the known (Lincoln et al, 2011), axiology which explores the role of values in research (Brynan,

2004) and method which looks more specifically at research process (Walliman, 2006). While many paradigms exist, Denzin and Lincoln (2011) propose four major interpretive paradigms that structure much of contemporary research: naturalist/positivist and postpositivist, constructivist-interpretivist, critical/Marxist and feminist-poststructuralist. Two of these major research paradigms are discussed to explore their relevance to this study: the naturalist/positivist paradigm and the constructivist/interpretivist paradigm.

The naturalist or positivist paradigm is based on the ontological assumption that the world exists independent of our experience with it and that we can gain access to it by observing and recording our experiences objectively (Lincoln et al, 2011; Moses & Knutsen, 2007; Walliman, 2006). The epistemological assumption is that only observable and measurable phenomena can constitute knowledge. Naturalists believe there are regularities or patterns in nature that can be observed and described. Statements based on these regularities can be tested empirically. Based on this belief, naturalists employ logic and reason supported by direct experience. They seek to evaluate the reliability of the knowledge produced in their studies through falsification and predictive capacity with hypotheses generated and then tested. In these terms, the scientific project should be aimed at explaining the general (nomothetic) at the expense of the particular (idiographic) (Babbie, 2004).

Given their external position to the research, the positivist researcher takes on the axiological assumption that science and the process of research is value free (Hussey & Hussey, 1997). Research phenomena are objects to be studied with the positivist researcher interested in the interrelationship of these objects. Quantitative research methods including experiments, surveys and longitudinal studies lend themselves to uncovering these relationships although the relationship between nomothetic explanations and quantification is not absolute (Babbie, 2004). Quantitative researchers usually follow a deductive cause and effect process (Robson, 1993). Under this deductive approach, generalisations lead to prediction, explanation and understanding, while accuracy is assessed by validity and reliability.

Presenting an alternative to positivism, Lincoln et al (2011) suggest that the constructivist perspective is founded on the ontological assumption that each person sees different things and what is seen is determined by a combination of social and

contextual influences. Within this perspective, patterns are constructed by the participant, the observer and society (Moses & Knutsen, 2007). Generally, in these approaches, the nature of scientific investigation is aimed at perceptions of the world, rather than the world as it is and therefore there are multiple perceptions of the world that can be experienced (Remenyi et al, 1998). The focus is on the reflective and idiosyncratic nature of knowledge held by participants (Neuman, 2006). Because they recognise such ontological diversity and complexity, constructivists tend to draw on more and different types of evidence and proof. While they recognise experience and reason as useful epistemological devices, they also contend that both of these can be influenced by many contextual factors, undermining any claims that these are objective transmitters of truth (Moses & Knutsen, 2007). Hence, the need for a broader set of epistemological tools. As outlined by Skinner (1975, p.216), constructivists try to understand action 'not in causal and positive terms as a precipitate of its context, but rather in circular and hermeneutic terms as a meaningful item within a wider context of conventions and assumptions'. Rather than uncovering a true account, constructivists seek to capture and understand the meaning of a social action for the agent performing it.

The axiological assumption in these approaches is that the researcher has values and those values influence the phenomena being investigated (Remenyi et al, 1998). This is made clear in the research design and reporting of results. Qualitative methods are often associated with the constructivist/interpretivist paradigm (Denzin & Lincoln, 2011) and include case studies, ethnographies, life histories and participative inquiry. As outlined by Saunders et al (2000), qualitative researchers usually follow an inductive process. The research design emerges and categories are identified during the research process (Patton, 1990). Accuracy is assessed through verification, often using member checks (Lindlof, 1995) and triangulation strategies to increase the confidence in the research outcomes (Fielding & Fielding, 1986).

As well as the orientation towards human behaviour adopted by the researcher, Neuman (2006) suggests good research design should take account of the topic, the purpose of the research and the intended use of the results. As both quantitative and qualitative research have strengths and weaknesses (Forster, 1994), the nature of the problem is a key criteria on which to select a quantitative or qualitative paradigm for a research project (Cresswell, 1994; Forster, 1994). Cresswell (1994) suggests that

in a quantitative study, the problem evolves from the literature, thereby necessitating a substantial body of literature on which the researcher can build. On the other hand, one of the key reasons for selecting a qualitative study is the exploratory nature of the study (Cresswell, 1994), ideally suited to situations where there is limited literature and the researcher seeks to 'listen to the informants' and 'build a picture based on their ideas' (p.21).

Social research is usually designed to address one or more of three main purposes: exploration, description and/or explanation (Babbie, 2004). Exploration is used to examine a new interest or when the subject of study itself is relatively new. While useful in yielding new insights into a topic or suggesting relevant methods for further research (Cresswell, 1994), exploratory studies are not definitive in themselves in terms of answering research questions, primarily because they lack representativeness with a larger population (Patton, 1990). Descriptive studies allow the researcher to observe a research situation and then describe what has been observed. They are usually designed to answer questions of what, where, when and how, but not why which is the field of explanatory studies.

The organising research problem for this study is:

How does an organisation's selection of a crisis response strategy and that organisation's relationship history influence stakeholder perceptions of its responsibility in different crisis situations, and, subsequently, its intangible assets of reputation and legitimacy?

Based on consideration of the research problem, the foundation literature, previous research in the field and the ability of both approaches discussed to yield valuable data, this project takes a positivist deductive approach. This approach guides the exploration of a series of hypotheses to refine existing preliminary explanations of the relationships among crisis cluster, crisis response and pre-crisis organisational conditions such as relationship history and their impact on stakeholder perceptions of organisational reputation and legitimacy either directly or through organisational responsibility as a mediator. It builds on the existing and substantial literature base provided by crisis researchers such as Benson (1988), Brocato et al, (2012), Coombs and Holladay (2001), Lyon and Cameron (1998), Massey (2001), McDonald (2005), Pace et al (2010), Seeger et al (1998) and Verhoeven et al (2012). These researchers

have mapped preliminary measures of the relationships between factors that shape effective response strategies in crisis and help to explain how changes in these conditions affect an organisation's intangible assets including reputation and legitimacy. As this study seeks to refine and extend work from previous studies, the approach used to collect the data must have adequate validity and reliability, which are central features of the value claims for quantitative approaches. These approaches allow measurable phenomena in the form of different variables to be used to investigate the hypothesised relationships.

Selecting a Research Strategy

A number of research strategies are most commonly used within the positivist deductive paradigm (Saunders et al, 2000). The strategy helps the researcher 'move from their paradigm to the empirical world' (Denzin & Lincoln, 2011, p.14) as well as connecting the researcher to specific methods of collecting and analysing empirical material. Moses and Knutsen (2007) suggest that at the top of the hierarchy for positivist research approaches is the experimental method. The experimental method is followed in preference by the statistical approaches, the few-N comparative approaches and then historical or case study approaches (Moses & Knutsen, 2007). Each method has its own benefits and limitations and the researcher needs to consider the practicality of implementing each method as well as the potential ethical issues involved.

The suggested experimental preference can be linked to the method's relationship to observation as observation is the 'premier epistemological device' (Moses & Knutsen, 2007, p. 16) used by positivists. Inspired by theoretical concerns, experimentation helps the researcher answer questions through a research procedure that sets up a representation of the world by isolating component parts in terms of conditions and variables (Moses & Knutsen, 2007). The researcher can then manipulate these variables and record empirical results through deliberate and planned observation to show causal and temporal relationships (Fisher, 1971; Stacks, 2002).

While the common feature of all experiments is the control of treatment (Mostellar, 1990), different types of experiments can be constructed. Shadish et al (2002) suggest there are four broad subtypes of experiments in modern social science:

randomised, quasi, natural and nonexperimental design. The randomised experiment is the most clearly defined drawing from the early work of Fisher (1925) with its distinguishing feature being random assignment of the treatments under study (Shadish et al, 2002). The quasi-experiment, drawing from the work of Campbell & Stanley (1963), lacks this distinguishing feature and thus is described as 'an experiment in which units are not assigned to conditions randomly' (Shadish et al, 2002, p. 12). By employing quasi-experimental designs, the researcher accepts a lesser degree of internal validity relative to a randomised experiment. In doing so, however, the researcher can avoid some of the more difficult practical and ethical problems associated with experimentation when employed in the social sciences. The natural experiment involves a study comparing a naturally occurring event with some type of comparison condition (Fagan, 1990) and may be seen as 'not really an experiment' (Shadish et al, 2002, p. 12) as the cause is not really manipulated. The final category is a catch all for a number of designs in which there is a presumed cause and effect and this is identified and measured but 'other structural features of experiments are missing' (Shadish et al, 2002, p. 18). This study uses the randomised approach with participants in each experiment randomly assigned to different treatments.

Based on the organising research problem, this study addresses a number of research questions:

Research Question 1

How do crisis response strategies used in response to crises from different crisis clusters influence stakeholder perceptions of organisational reputation and legitimacy?

Research Question 2

How does responsibility mediate the influence of response strategies used during crisis from different clusters on stakeholder perceptions of organisational reputation and legitimacy?

Research Question 3

How does an organisation's responsibility for a crisis affect stakeholder perceptions of its reputation and legitimacy?

Research Question 4

How does an organisation's relationship history with its stakeholders influence stakeholder perceptions of its reputation and legitimacy?

Research Question 5

How do stakeholder perceptions of an organisation's responsibility mediate the influence of its relationship history on its reputation and legitimacy?

Research Question 6

How does an organisation's relationship history and its response to a crisis from different crisis clusters influence stakeholder perceptions of its reputation and legitimacy?

Research Question 7

How does responsibility mediate the influence of an organisation's relationship history and its response to a crisis from different crisis clusters on stakeholder perceptions of its reputation and legitimacy?

Given the identified strengths of the method, previous research in the field and the nature of the research questions outlined, this study works within the experimental method and tradition. It uses a series of interrelated experimental studies to examine and establish causality between variables as specified in the research questions. A factorial design approach is used across the experiments to allow the examination of the simultaneous effects of more than one independent variable (Neuman, 2006).

In the study, the isolation and manipulation of the independent variables and the ability to measure their impact on the dependent variables strengthens the refinement of Coombs' (2007) SCCT model and related crisis response models (Bradford & Garrett, 1995; Dean, 2004; Lyon & Cameron, 2004) and informs the research questions posed. As initial tests of the SCCT and related models have involved

experimental and quasi-experimental methods (see, for example, Brocato et al, 2012; Coombs & Holladay, 1996, 2001, 2009; Coombs & Schmidt, 2000; McDonald, 2005; Verhoeven et al, 2012), it is appropriate to continue this approach when refining these models.

To enhance the experimental design, the study incorporates a pre-test post-test design in which measures of the dependent variables are taken before the introduction of the experimental stimuli (Campbell & Stanley, 1963). The pre- and post-test design helps to define, locate and test causal factors, providing a defence against alternative explanations of variation (Moses & Knutsen, 2007). This is one form of approximation of the true counterfactual (Dannels, 2010) in the absence of a control group. However, as outlined by Babbie (2004), it is still possible that some other factor might be causing the change between the pre- and post-tests which is a recognised limitation of experimental approaches.

The test and retest method has the possibility of the respondents becoming more sensitive to the issue being tested and being more thoughtful in their answers than they would normally be (Babbie, 2004). This is recognised as a limitation for the study, however, the approach is particularly important in this study to focus in on the 'protective powers' (Coombs, 2006) of the strategy and the implication that intensifiers such as relationship history increase reputational damage. As outlined by Pace et al (2010), the strong focus in the literature of measuring reputation (and/or other outcomes) at a point in time only shows the comparative value of one approach against another. It does not help to unpack the impact of the crisis variables as they work on stakeholder perspectives during the crisis event as baseline attributes were not established pre-crisis or pre-experimental stimuli. The repeated measures approach has a greater potential in helping crisis researchers better understand what protection through organisational response actually entails and what impact this has on reputational damage which is potentially changing during the crisis event as new information comes to hand. Not testing may lead to a fundamental attribution error (Russell, 1982) where the researcher assumes respondents have perceived a cause in the same way the researcher has. Haigh and Brubaker (2010) have recognised this limitation in their testing of the crisis strategy models, calling for more pre- and post-test research in this area.

A study of this nature that uses the experimental method is advocated by Benson (1988), Coombs (2004) and Seeger et al (1998) who all suggest crisis research needs to move from theoretical modelling and description through case studies to quantitative testing of relevant variables. Pearson et al (2007) question whether there has been a true focus on theoretical modelling in crisis research at all, suggesting a heavy reliance on description alone. Early research in crisis management was heavily case study oriented (Seeger, 2006), which did not allow for predictive value and causal inference (Botan, 1989). Campbell and Stanley (1963) suggest the knowledge gained from this approach is generally illusory as there is no basis for comparison (Coombs & Schmidt, 2000).

This criticism of crisis research reflects a wider criticism of public relations research in general as reflected in two recent studies. A study of a decade of public relations research found a paucity of experimental design, leading to the authors suggesting systematic avoidance of this approach (Boynton & Dougall, 2006). This suggestion was supported by a more recent study of close to two decades of published public relations research which presented a stronger use of quantitative studies over the period, however, experimental design still represented less than 10 percent of total research presented in three key US-based journals (Pasadeos, Lamme, Gower & Tian, 2011). Seen as a limiting factor in the discipline's progression and its relevance to external parties (Stacks, 2002), public relations researchers have started to address this concern, however, research appears limited to particular areas such as crisis management and health communication (Boynton & Dougall, 2006). This study helps to advance the use of experimental design in public relations research as recommended by Brocato et al (2012), albeit in the area that has a strong record for use of this method.

This study examines the influence of crisis cluster, response strategy and the situational factor of relationship history on stakeholder perceptions of organisational responsibility, reputation and legitimacy. It has been designed amid a call for more stakeholder-oriented approaches in crisis research (Coombs, 2006). While most reputational studies have involved direct research with stakeholders, organisational legitimacy studies have mostly favoured the use of secondary sources such as mass media reports (Barron, 1998; Brown & Deegan, 1998; Deephouse, 1996), corporate documents (Allen & Caillouet, 1994), and regulatory registers and reports (Baum &

Oliver, 1991; Deephouse, 1996; Singh et al, 1986) to assess legitimacy states and, in some cases, infer different stakeholders' perceptions of legitimacy. While seemingly in conflict with the original Weberian intent of focusing on 'characteristics of the citizens' beliefs, not to characteristics of the system' (Waerass, 2009, p. 308), this past research supports the inferred notion of stakeholder in Suchman's seminal definition of organisational legitimacy as the 'generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within a social system' (1995, p. 574). As such, there are limited primary source legitimacy studies with stakeholders, particularly community and consumer stakeholders. This study builds on the primary source research work of Massey (2001), Elsbach (1994), Foreman and Whetten (2002) and Milne and Patten (2002) to address this gap in the literature. By collecting primary data from the study's participants, this study provides information on the specific influence of stakeholder perceptions of particular variables on their subsequent perceptions of organisational legitimacy.

Research Design

Described as 'the glue that holds the research project together' (Trochim, 2006, as cited in Dannels, 2010), good research design provides a plan to integrate all the elements of a study so that the results are 'credible, free from bias, and maximally generalizable' (Dannels, 2010, p.343). Such outcomes result from issues such as effective participant recruitment, how variables are manipulated, how data are collected and analysed and how to control extraneous variability (Brynan, 2004). These areas will now be discussed to show how the research questions were addressed through a series of six inter-related experiments.

Population and Sampling Strategy

In a crisis situation, organisations need to consider the perceptions of both victim and non-victim stakeholders (Coombs, 2004). While victims have an intimate link with the crisis situation and are generally well informed of the specific nature of the crisis event, non-victim stakeholders are likely to have a much less specific knowledge and interest in the crisis event, however, their post-crisis impact on the organisation in crisis can be just as important as that of victims. In addition, there are usually more non-victims than victims so their views can have a major effect. Given the size and potential importance of this group to organisational recovery, the

non-victim category has been selected for study in this project. In doing so, it follows the work of other crisis researchers such as Brocato et al (2012), Coombs and Holladay (2011), and Haigh and Brubaker (2010). It uses undergraduate and postgraduate students from four large Australian universities to represent the non-victim stakeholders. Students are an appropriate research participant category as they fill a range of direct stakeholder positions with organisations including consumer, employee and investor as well as influence the broader social community in which organisations operate.

This nonprobability sampling strategy with reliance on available subjects such as students (Babbie, 2004) brings restrictions in terms of the generalisability of the study's results to a broader population. However, this approach follows the crisis response studies of Massey (2001), Coombs (2004), Coombs and Holladay (1996), Dean (2004), Haigh and Brubaker (2010), Haigh and Dardis (2008) and Pace et al (2010) who also used student samples. An analysis of nearly two decades of crisis communication research using the major crisis models of Benoit and Coombs found that close to half of the published articles used student samples (Avery, Lariscy, Kim & Hocke, 2012) with a further study showing all reported experiments in a selection of key journals over nearly two decades used a non-probability sampling strategy (Pasadeos et al, 2011). Caution is always needed in utilising students as representatives of the broader community given the different demographic and psychographic characteristics of each group, for example, the sample is over-represented by individuals with high levels of education. Coombs' (2004) experiments on response trends in different societal cohorts provide some comfort in this area. Importantly, when asked to identify the impact of a range of crisis variables on organisational reputation, no significant difference was identified between the responses of undergraduate students and those of randomly selected community members. This is supported by Lyon and Cameron (2004) who found very limited difference between students and community members in crisis response experiments.

Sample

The sample for the different experiments in this study varied from 107 to 559 university students. The students were drawn from both undergraduate and

postgraduate classes and covered a range of disciplines including business, engineering and creative and liberal arts to enhance diversity of the sample. Lecturers at each of the universities were approached to provide access to their classes for the purpose of undertaking the experiments. Participation in the study was voluntary as outlined in the host university's research protocols and in line with the basic principles of ethical social research (Babbie, 2004). Participants were provided a small confectionary treat for completing the survey.

The sample size for each experiment was determined based on the number of preferred participants in each cell, the practicality of accessing large numbers of participants at particular periods and the desire to detect effects within the proposed model. The sample size influences the identifiable levels of power and effect size within the experiments with a larger sample showing increased power (Gravetter & Wallnau, 2004). The power of a statistical test lies in the probability that it will correctly reject a false null hypothesis. It is a function of its sensitivity, the size of the effect in the population and the standards used to test statistical hypotheses. Studies in social sciences are often conducted with low levels of power (Murphy, 2010). Cohen (1988) and Murphy and Myors (1999) suggest studies should, where possible, be designed to achieve a power level of .80 or greater which provides an 80% chance of rejecting a false null hypothesis.

Murphy (2010) advises that while there are various guides available to researchers, most power analyses depend on the conventions of particular research communities to define expected effect sizes and the influence of this on designing studies. While there is not consistent reporting of study details in applicable studies (Pasedeos et al, 2011), some reports on previous experiments using the SCCT model detected effect sizes using eta squared levels that could be seen to align with medium effects using Cohen's scale (1988), however, such comparisons are not always useful as they hold only when sample size is very large and this is not the case with most previous experiments involving this model. Taking a more conservative approach, Murphy (2010) suggests that to detect small to medium levels of effect size with a power level of .80 and significance criterion of α=.05, sample sizes would need to range from approximately 150 – 400. This range was used as a guide for the study, however, the nature of each individual experiment given the range of variables included was also considered. Recommendations by Bernard (1994) and Tabachnik

and Fidell (2001) of at least 20 participants in each cell to detect significant differences and protect against most violations of assumptions under analysis of variance models was also followed as was the guidance from one of the more recent large scale studies of crisis variables which saw 32 different scenarios developed with an average cell size of 25 (Brocato et al, 2012). However, power and effect sizes were not reported in this recently reported study. Cell sizes were kept approximately equal, recognising the problems that may occur in analysis when the ratio of each cell is more than 1:1.5 (Coakes & Steed, 2003).

The Experimental Method

A series of interrelated experimental studies were used to address the research questions and test the hypotheses as outlined in Chapter 2.

The overall study involved the controlled manipulation of the independent variables of *crisis cluster*, *crisis response strategy* and *relationship history (*representing both *relationship character* and *organisational age)*. Participants were randomly assigned to the manipulated treatments of the independent variables. A control group was used in one experiment (Experiment 5) to test the variable of relationship history to ascertain whether no information on relationship character and/or organisational age made any difference to some information on these constructs. As this variable has not been tested before in crisis research with these specified attributes, this was considered a useful step in the reporting of the impact of this variable. Control groups were not used for the five experiments that involved response strategy.

The empirical tests took the form of six interrelated experimental studies. These tests progressed through four main stages. Stage One focused on the strategy aspects of crisis management and the impact of strategy in different crisis situations. Coombs (2006) has called for more explicit testing of the strategy as it is one of the most under-researched parts of the SCCT and other crisis communication models. As suggested by Coombs (2009) 'much of the existing reputation repair research has generated more speculation about what should be done rather than testing of actual prescriptive claims' (p.113). The second stage focused explicitly on the variable of responsibility given its centrality to the model. Responsibility was manipulated as an independent variable to ascertain its impact on reputation and legitimacy. The

third stage then tested the impact of the relationship history variable, accounting for both relationship character and organisational age on crisis responsibility, organisational reputation and legitimacy. Having established the impact of the separate independent variables in the first three stages, Stage Four examined the interaction of all of the independent variables to ascertain the presence of the predicted intensifier effect for relationship history as outlined in Chapter 2 and to better understand the role of responsibility in stakeholder judgments on reputation and legitimacy. Each study is now described in detail and linked to the relevant research questions being tested.

Stage One: Focus on Effects of Crisis Response Strategy

Stage One of the study involved testing specifically the impact of crisis response strategy used in different crisis situations on stakeholder perspectives of organisational reputation and legitimacy. This impact was assessed both directly and through the potential mediator of organisational responsibility. As different crisis situations were used, the focus in this stage was on refining the impact of the interaction of the crisis cluster (victim, accident, preventable) from which the particular crisis was drawn and the crisis response strategy which was also drawn from different strategy categories (deny, diminish, deal). A full discussion of these independent variables is contained in Chapter 2. Three experiments were run during this stage to allow for the testing of the full range of crisis clusters and response strategies and the interaction effect. This was important to ground first in the experimental design before adding the intensifier variable of relationship history to the model.

Figure 3 outlines the specific part of the overall study being tested in Stage One and shows the relevant research questions being tested. As well as testing the relevant hypotheses, the Stage One experiments acted as pilot studies, testing the development of the experimental stimuli used in the final experiment which saw all variables tested in the one experiment.

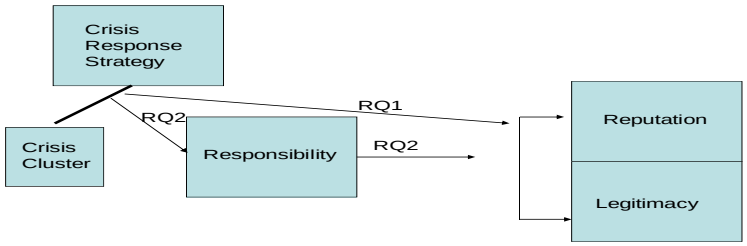

Figure 3: Variables and research questions tested in Stage One

Experiments 1 and 2

These experiments tested the effect of the interaction of crisis cluster and crisis response strategy on stakeholder perceptions of reputation and legitimacy and the indirect effect on these perceptions through the mediator of organisational responsibility. This work helps to refine Coombs (2006) test of the impact of strategy on responsibility which was undertaken with a small sample and was done without the context of different crisis types. Kim et al (2009) further explored cluster and response on responsibility but only applied it to a limited number of responses and two clusters and failed to establish consistent interaction effects across the clusters.

Independent Variables – Strategy and Crisis Cluster

As noted in Chapter 2, Coombs (2006) identified 10 possible response strategy options, clustered into three response categories according to the acceptance of responsibility by the organisation. Category 1, deny, assumes limited levels of responsibility through to Category 3, deal, which assumes a high level of responsibility. Experiments 1 and 2 tested three of the 10 possible response options with one response selected from each of the three categories of deny, diminish and deal. These responses were scapegoating (deny), excuse (diminish) and compassion/compensation (deal).

The response strategies were applied within the contexts of the three different crisis clusters of *victim*, *accident* and *preventable* (Coombs & Holladay, 2002) as

described in Table 5 in Chapter 2. Previous experiments have suggested that these clusters can predict the level of responsibility assigned by stakeholders to the organisation in the absence of any response. The response then has the potential to modify the level of reputational damage that comes from this attributed responsibility.

Experiment 1 used a mixed model (between subjects and within subjects) 1 x 3 (x3) way multi-factorial design for crisis cluster and response strategy as outlined in Figure 4. The between subjects design tested the effects of the different response strategies whereas a within subjects design was used to measure the dependent variables across three time periods. The crisis cluster of accident was applied, with the crisis subtype of technical error accident (a factory explosion) used for the scenario. This was held constant for Experiment 1.

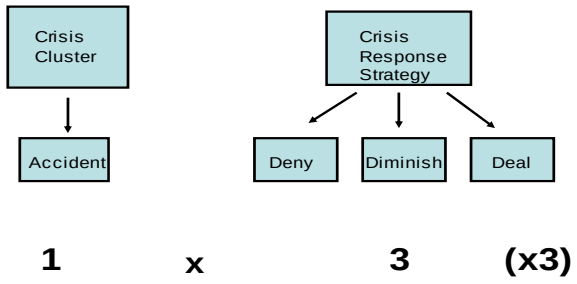

Figure 4: Multi-factorial design of Experiment 1

In Experiment 2, a mixed model 2 x 3 (x3) way multi-factorial design (see Figure 5) was used to test the other two crisis clusters, victim and preventable with the subtypes of workplace violence (a shooting at the factory) and organisational misdeeds (bribery allegations around a major contract) respectively used for the scenarios. This allowed not only the direct comparison on the effects across different crisis clusters but also facilitated the full testing of the potential scenarios for the final experiment. As with Experiment 1, the between subjects design tested the different clusters and strategies and the within subjects design was used to measure the dependent variables across three time periods.

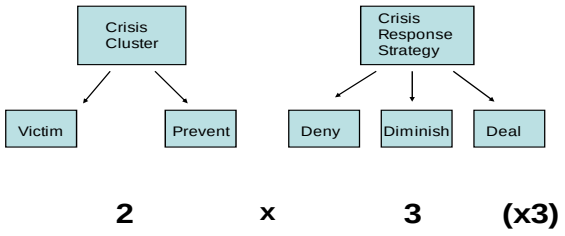

Figure 5: Multi-factorial design of Experiment 2

Dependent and Mediator Variables – Reputation, Legitimacy and Responsibility

Following the rationale outlined earlier, a pre- and post-test design was used to test the impact of the independent variables on the dependent variables and the potential mediator variable of responsibility. A full description of the research instrument used to test these variables is contained in a later section of this chapter.

Participants read a short news story outlining company information and completed the first questionnaire which measured reputation and legitimacy. The participants then read a news story covering a crisis event from one of the crisis clusters (victim, accident or preventable) and completed the second questionnaire which again measured reputation and legitimacy as well as organisational responsibility for the crisis event. The participants read a third news story which included information on one of the possible company responses (scapegoating, excuse or compensation) to the crisis. The final questionnaire was then completed which measured responsibility, reputation and legitimacy. Manipulation checks were undertaken as appropriate within the questionnaires.

In summary, responsibility was tested before and after the exposure to the organisational response providing two measures for comparison and the dependent variables of reputation and legitimacy were tested firstly before the introduction of the crisis event and then twice more in line with the tests for responsibility.

Experiment 3

Experiment 3 extended the work of Coombs and Schmidt (2000) and Haigh and Dardis (2008) who found limited differentiation between the effects of the accommodative strategies, usually associated with the deal/rebuild category of crisis response strategy. As the deal category potentially carries the largest legal liability for an organisation as it gets closest to admitting responsibility, understanding the impact of the different options in this category is important. Coombs and Schmidt (2000) also only tested the effects of the different strategies on one of the three crisis subtypes within the preventable cluster (the organisational misdeeds or transgression crisis), thereby leaving the other two subtypes in this cluster (human error-accident and human error-product harm) untested.

Independent Variables – Strategy and Crisis Cluster (subtype)

This experiment used a 2 x 3 (x3) mixed model design (see Figure 6) to test two subtypes of crisis in the preventable cluster (organisational misdeeds and human error product harm (HEPH)) with three crisis response strategies from the deal category including both the rebuilding posture strategies of compensation and apology and one from the bolstering posture, ingratiation. As outlined in Chapter 2, the bolstering posture is now seen as technically separate to the rebuilding posture (Coombs, 2007) and therefore perhaps inadequate to fully address the attributed responsibility, however, the bolstering strategy of ingratiation did cluster with the rebuilding postures in an earlier study (Coombs, 2006) and, consequently, further investigation is warranted. At the cluster level, the set used in Experiment 3 allowed comparison with Coombs and Schmidt (2000) on transgression/organisational misdeed as well as furthering knowledge on an additional subtype. The two crisis events used in Experiment 3 were fraud allegations within a contract for organisational misdeeds and product contamination caused by employee error for HEPH. At the response level, the design of Experiment 3 also allowed for further comparison with Pace et al (2010) who tested outcomes from a full apology which accepted responsibility. The between subjects design tested the different subtypes and strategies while the within subjects design was used to measure the dependent variables across three time periods.

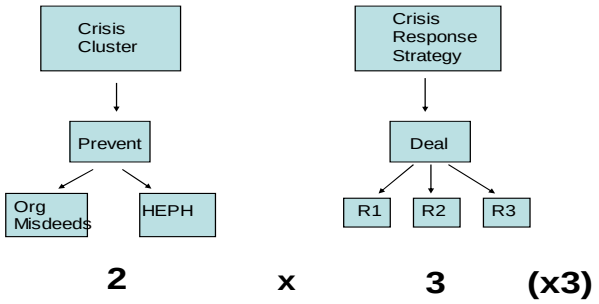

Figure 6: Multi-factorial design of Experiment 3

Dependent and Mediator Variables – Reputation, Legitimacy and Responsibility

As with the earlier experiments, responsibility, reputation and legitimacy were tested before and after the exposure to the organisational response providing two tests for responsibility and three for reputation and legitimacy.

Participants read a short news story outlining company information and completed the first questionnaire which measured reputation and legitimacy. The participants then read a news story covering a crisis event drawn from one of the two possible crisis types within the preventable crisis cluster (organisational misdeeds and human-error product harm) and completed the second questionnaire which again measured reputation and legitimacy but also included a test for organisational responsibility. The participants read a third news story which included information on the company response to the crisis which included either a strategy of ingratiation, compensation or apology. The final questionnaire was completed and measured responsibility, reputation and legitimacy. Manipulation checks were undertaken as appropriate within the questionnaires.

Stage Two: Focus on Responsibility

Stage Two of the research process focused on the variable of responsibility as it is central to the model under examination (see Figure 7). Under the Stage One experiments, responsibility was assessed by the participants based on the information pertaining to the crisis event and then reassessed following the crisis response

strategy. This most closely mimics real crisis events where the early stages of the crisis involve significant uncertainty as to the cause of the crisis event. However, to try and establish as strong an effect size as possible for the benefit of the experimental model, the Stage Two experiment was designed to directly assign a level of responsibility to the organisation to identify the impact of this on reputation and legitimacy. This more closely mirrors the work of Dean (2004) and Verhoeven et al (2012) whose work provides directives in the scenarios on responsibility.

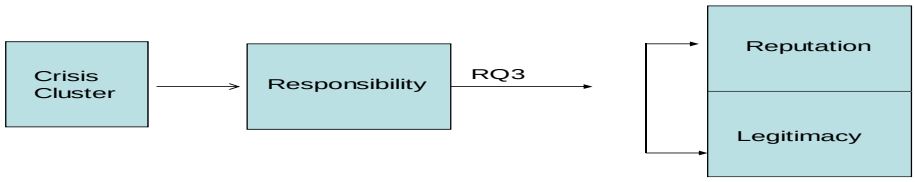

Figure 7: Variables and research question tested in Stage Two

Experiment 4

Independent Variable –Responsibility

Experiment 4 used a 1 x 2 (x3) mixed model design to test two dimensions of assigned responsibility for a crisis event (see Figure 8). Instead of reading a crisis response and determining levels of attributed responsibility, participants were told that a third party had either assigned complete or no responsibility to the organisation for the crisis event. These extremes were selected to illicit as strong an effect as possible. As some details of a crisis event were needed to provide a context for the assessment of responsibility, one crisis cluster was used (accident – factory explosion) with the subtype of technical error accident. This was the same event as used in Experiment 1 which had already met the tests for correct manipulation. The between subjects design tested the different levels of responsibility while the within

subjects design was used to measure the dependent variables across three time periods.

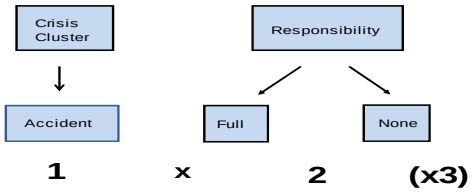

Figure 8: Multi-factorial design of Experiment 4

Dependent Variables – Reputation, Legitimacy and Attributed Responsibility

Pre- and post-test within subjects design was used for measures of reputation and legitimacy as well as attributed responsibility for the crisis event (i.e. stakeholder perceptions of responsibility) and also as a manipulation check on the assigned responsibility presented in the scenarios.

Participants read a short news story outlining company information and completed the first questionnaire which measured reputation and legitimacy. The participants then read a news story covering a crisis event and completed the second questionnaire which again measured reputation and legitimacy as well as attributed responsibility based on the crisis event. The participants read a third news story which included information from a third party which either assigned full or no responsibility to the company for the crisis. The final questionnaire was then completed which measured responsibility, reputation and legitimacy. Manipulation checks were undertaken as appropriate within the questionnaires.

Stage Three: Focus on Relationship History

The third stage of the study focused on the variable of relationship history which was designed in this study to incorporate both relationship character and organisational age. Figure 9 outlines the specific parts of the overall model being tested in Stage Three and shows the relevant research questions to be tested.

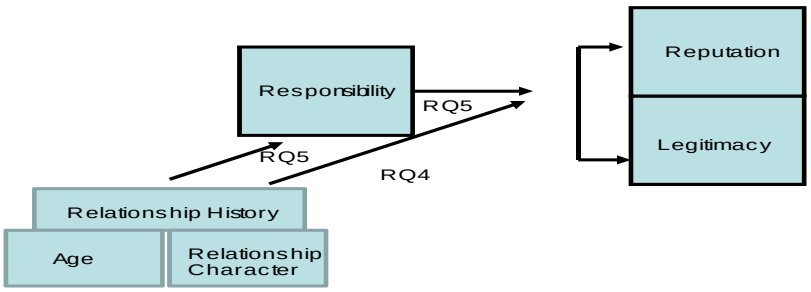

Figure 9: Variables and research questions tested in Stage Three

Experiment 5

Experiment 5 used a 1x5 (x2) way mixed multi-factorial design to test the influence of different attributes of relationship history. As some of these are additional attributes to the standard presentation of relationship history (Coombs & Holladay, 2001; Lyon & Cameron, 2004), each condition was tested separately within a scenario. Combinations of the attributes were tested in the final sixth experiment. The between subjects design tested the different aspects of relationship history while the within subjects design was used to test the dependent variables across two time periods.

Independent Variable – Relationship History

Unlike the previous experiments in this series, Experiment 5 used a control group to identify the influence of information on the sub attributes of relationship history (relational character and organisational age) in comparison with no information. The four specified relationship history conditions used in Experiment 5 included two related to relationship character (positive and negative) and two for organisational age (new and mature) (see Figure 10). This builds on the work of Coombs and Holladay (2001) who examined the impact of a poor or favourable relationship character on responsibility and reputation. This experiment retested this influence to clarify the direct or indirect effect of relationship character on reputation through responsibility, applied this test to the theoretically separate variable of organisational legitimacy as well as tested the influence of organisational age as part of the overall relationship history construct. Organisational age was assessed as either new or

mature, following the earlier discussion in Chapter 2 of the liability of newness (Singh et al, 1986) and the protection of maturity.

To avoid the issues discussed in Chapter 2 related to Coombs and Holladay's (2001) and Lyon and Cameron's (2004) treatment of relationship character as a composite variable, only one description of relationship character was provided, centring on relationships with the community. This description was informed by Dean (2004) who used similar information in his crisis experiment.

The control condition contained no information on either the company's relationship with the community nor its age and reflected the basic company information used in the previous experiments.

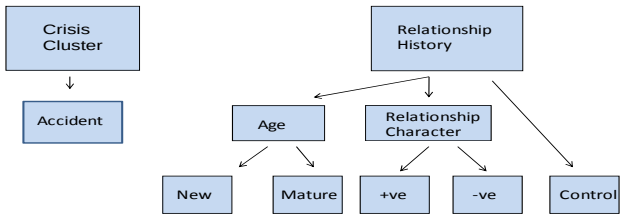

Figure 10: Multi-factorial design of Experiment 5

Dependent and Mediator Variables – Reputation, Legitimacy and Responsibility

The first part of this experiment tested relationship history's impact on reputation and legitimacy prior to a crisis event. Participants read a short news story outlining company information which included one of the four treatments of relationship history or the no information control scenario and completed the first questionnaire which measured reputation and legitimacy. Participants were then exposed to a second news story covering a crisis event which repeated the relevant company information for the particular treatment. The participants then completed the final questionnaire which tested the organisation's level of responsibility as well as retested reputation and legitimacy. Manipulation checks were undertaken as part of the final questionnaire. An accident was used as the crisis type for the descriptor to allow for the greatest comparability with Coombs and Holladay's (2001) main test of

relationship history in the SCCT model development. This scenario used the same accident description (factory explosion) as outlined for Experiments 1 and 4.

Stage Four: Focus on All Variables

The final stage tested all of the variables in this study through a complete factorial design (Collins, Dziak & Li, 2009). The interaction of the independent variables of crisis cluster, crisis response strategies and relationship history (with its two subattributes) was tested to ascertain main effects of this interaction on reputation and legitimacy as well as a mediated effect through responsibility. The final experiment involved two crisis clusters to allow for comparisons across the different clusters. The majority of testing of Coombs' SCCT model has been done in parts, matching different variables at different stages. The final experiment brings together the key variables in SCCT to be tested in the one experiment. Figure 11 outlines the full model as tested in Stage Four and the relevant research question.

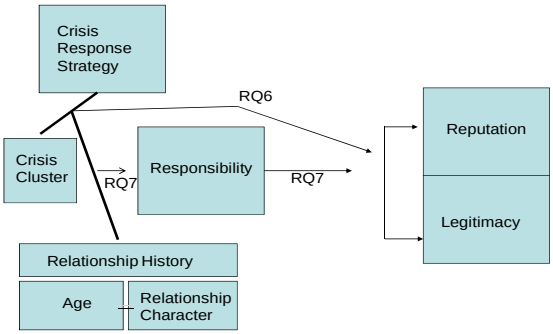

Figure 11: Variables and research questions tested in Stage Four

Experiment 6

Experiment 6 tests how certain conditions present in a crisis situation change (or 'intensify') the judgments made by stakeholders about an organisation in crisis and therefore change the impact of any response strategy run by that organisation. This experiment explicitly tests how during different crisis situations, an organisation's crisis response strategy and its relationship history (as an intensifier condition) impact stakeholder perceptions of reputation and legitimacy directly through a main

effect and/or indirectly through the mediator of responsibility. This extends the work of Coombs and Holladay (2001) on the intensifier effect of the variable of relationship history. Under Coombs' proposition (2004), if a negative intensifier effect is present, organisations should move from a theoretically matched response (matching crisis cluster and response) to a step-up strategy which sees the selection of a strategy originally designed for a higher order crisis cluster. For example, a deny strategy is theoretically predicted to match the requirements of a victim crisis. However, if an intensifier effect is in operation such as that associated with a negative relationship history, a strategy from the next highest category (diminish) should be used to match the higher level of assumed organisational responsibility (see Table 7 for full explanation of options).

Independent Variable – Crisis Cluster

Importantly, while the intensifier effect can be tested with a crisis type from one crisis cluster, there is little guidance on whether it operates at all levels of crisis responsibility as inferred by the three crisis clusters (Coombs & Holladay, 2001). To address this, the final experiment in this series uses crisis types from within two different crisis clusters (workplace violence within the victim cluster and technical error accident within the accident cluster) to allow for the full effects of the step up strategies to be tested. The third cluster of preventable is not needed to demonstrate the intensifier effect as there is no step up possible from the highest level of responsibility assigned to this cluster. Guidance on the impact of organisational response in this cluster was provided through Experiment 3. When a negative intensifier effect is present, the victim-deny matched response should yield a less positive outcome on reputation and legitimacy than the stepped up victim-diminish response and the accident-diminish matched response should yield a less positive outcome on reputation and legitimacy than the stepped up accident-deal response. Experiment 6 will also provide guidance on the contention that stepping up two categories (victim type with deal strategy) is unnecessary and may provide no greater benefit to the organisation than the one step up strategy (victim type with diminish strategy) (Coombs, 2007). Most discussion in the literature focuses on the role of negative intensifiers given their contribution to additional damage, however, this study will also investigate potential positive intensifiers to provide guidance to organisational managers during a crisis.

Independent Variable – Relationship History (Relationship Character and Organisational Age)

The intensifier selected for study in this project - relationship history - was tested through combinations of relationship character and organisational age building on the results of the singular treatment conditions as outlined in Experiment 5. The addition of organisational age tests explicitly the work of Massey (2001) where organisational age was implicitly mixed with niche width (specialist vs generalist organisations) to assess measures of legitimacy following a crisis. It also addresses the contrary findings of Lyon and Cameron (2004) who found no interaction between relationship character and response in terms of effect on reputation and Dean (2004) who found that a strong relationship character may work against an organisation when stakeholders assess the appropriateness of response.

Independent Variable – Strategy

Three crisis responses were used, representing one response from each of the three crisis response strategy categories (deny: scapegoating; diminish: excuse; deal: compensation). This allowed for a theoretically predicted response if relationship history had no negative intensifier effect (original matched response), a theoretically predicted response if relationship history had a negative intensifier effect (step up matched response), and an unmatched response for the organisation (see Tables 6 and 7 for a full explanation of options).

Interaction Effect

Experiment 6 used a 2 x 2 x 2 x 3 (x3) mixed model design to test the interaction of crisis cluster (2), relationship history (2) x (2) and response strategy (3) on stakeholder perceptions of responsibility, reputation and legitimacy (see Figure 12). It tested the four possible combinations within the relationship history construct (new and positive; new and negative; mature and positive; mature and negative) against one response strategy from each of the three strategy categories and applied this within two different crisis clusters (victim and accident). The between subjects design tested the impact of the different treatments for cluster, relationship history and response strategy while the within subjects design was used to test the dependent variables across three time periods.

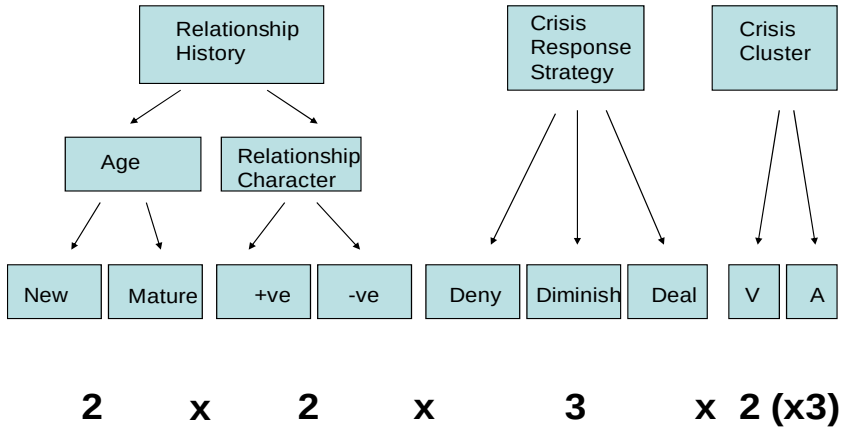

Figure 12: Multi-factorial design of Experiment 6

Dependent and Mediator Variables – Reputation, Legitimacy and Responsibility

Pre- and post-test design was used for measures of reputation, legitimacy and responsibility. Reputation and legitimacy were measured three times and responsibility twice. As the previous experiments in this study had shown a strong and consistent change to perceptions of reputation and legitimacy immediately following the crisis event, the pre-crisis period was not included in this experiment to reduce the amount of time needed for participants to complete the questionnaires.

Participants read a short news story outlining company information and a news story covering a crisis event and completed the first questionnaire which measured reputation and legitimacy as well as organisational responsibility for the event. The participants then read a third news story which included information on the company's response and completed the second questionnaire which measured reputation, legitimacy and responsibility. Participants then read a final news story which included information on the company's relationship history and reiterating the company's response to the crisis. This allowed the impact of relationship history on the protective powers of the response strategy to be demonstrated and assessed. The final questionnaire was then completed which measured responsibility, reputation

and legitimacy. Manipulation checks were undertaken as appropriate within the questionnaires.

Instrumentation: Data Collection Tools

Response Stimuli

An organisational profile of a hypothetical company, BellaFoods was written and used throughout each stage of the study. This follows the work of other crisis researchers such as Haigh and Dardis (2008) and Pace et al (2010) who also used hypothetical companies in their studies. The organisation was set up as a generic food manufacturing company to limit any confounding effects through pre-conceived associations that might come from the students (Claeys et al, 2010). Information on the company was kept to a minimum. It is possible that the use of a hypothetical company may influence the way stakeholders view the negative aspects of an organisational profile when assessing its impact on reputation and legitimacy. Because the students cannot have had any personal experience of the organisation, they may be more easily persuaded by unfavourable information (Dean, 2004; Henard, 2002; Wu & Shaffer, 1987). This is recognised as a limitation of the design, however, this has been considered in light of the alternative concerns of using a real organisation that some but not all of the students may have had an experience with which may also affect their comments.

Individual scenarios using the base organisational profile were written to represent the manipulation of the different variables under study (crisis cluster, crisis response strategy, assigned responsibility and relationship history). This follows standard practice in the crisis research cited elsewhere, however, it is recognised that the prepackaging of such information to elicit a response might deviate significantly from the way people perform causal analysis during a real crisis (Hewstone, 1989). The number of scenarios used in each experiment went from 2 in Experiment 4 to 24 in Experiment 6 depending on the factors being manipulated in each experiment. These are outlined in Table 8.

Table 8: Factorial design informing scenario development

Experiment	**Factors**	**Number of Scenarios Used**
1	Crisis Cluster (1) x Response (3)	3
2	Crisis Cluster (2) x Response (3)	6
3	Crisis Cluster (2) x Response (3)	6
4	Crisis Cluster (1) x Responsibility (2)	2
5	Crisis Cluster (1) x Relationship History (4) plus control	5
6	Crisis Cluster (2) x Relationship History (2x2) x Response (3)	24

Given the complexity of the factorial design in the final experiment, the crisis scenarios were pretested through two methods. Firstly, the manipulation checks undertaken in Experiments 1-5 were used to ensure the relevant independent variables were identified correctly by the participants. Secondly, a final pre-test of the 24 scenarios developed for Experiment 6 was run with 20 participants each assessing six of the scenarios and identifying the manipulated variables. This led to one change in the operationalisation of the 'new' condition to two years instead of three years which was used in Experiment 5 to give better discrimination between the age conditions. As outlined in Chapter 2, the two to three year period is commonly used in the literature for the liability of newness condition so both specific periods have been tested across this series of experiments.

Following the research designs of Coombs (1998), Coombs and Holladay (2001), Lyon and Cameron (2004), Lee (2004), Haigh and Brubaker (2010) and Brocato et al (2012), mock newspaper reports of the crisis scenarios were constructed to represent the information gained by stakeholders on the crisis event and response. Deephouse (2000) in his work on organisational legitimacy suggests that newspapers are the source most people use to retrieve information about corporations. Supporting his view, Coombs (2004) suggests non-victim stakeholders will generally encounter information about crisis events through the mass media, making this a valuable experimental tool to identify stakeholder impressions and response. This draws from

media systems dependency theory (DeFleur & Ball-Rokeach, 1975) which suggests that during particular situations such as crises, people tend to become more dependent on the media for information. As artificiality is a concern of the laboratory setting common in experiments (Babbie, 2004; Schwarz, 2008), the use of media articles in the experiment is one way to bring the assessment process closer to a natural social setting. In today's environment, media considerations would include not only mass media but social media, however, for consistency and to limit complexity, only one type of media, the print mass media, was used in this study.

Damage due to the crisis has been identified by Coombs (2006) as a potential influencer within the SCCT model. Although not confirmed experimentally, there is a suggestion that the more severe crises have a greater negative impact on reputation. While damage is not the focus of this study, the design has mirrored the approach of Claeys et al (2010) in controlling for actual damage through keeping the same stated outcomes in all scenarios.

Questionnaire and Measures

A series of questionnaires were developed to capture stakeholder impressions of the dependent variables of reputation and legitimacy, the predicted mediator variable of responsibility as well as the manipulation checks needed.

As part of the study builds on the work of Coombs (2004, 2006, 2007) in developing the SCCT model, wherever possible, the original scales used to develop the model were replicated to enhance comparability. Responsibility was measured through a 3-item scale from Griffin et al (1991) which included items on responsibility and blame as associated with the organisation or the surrounding circumstances and has been used in a number of prior studies (Coombs, 1998, 2004; Coombs & Holladay, 2001, 2002). Sample items included: *Circumstances, not BellaFoods, were responsible for the crisis*, and *The blame for the crisis lies with BellaFoods*. Reputation was measured using a 5-item scale from McCroskey (1966) as adapted by Coombs and Holladay (2002) which includes items on honesty and concern for stakeholders. Sample items included: *BellaFoods is concerned with the wellbeing of its stakeholders and the general public*, and *Under most circumstances, I would be likely to believe what BellaFoods says*. Legitimacy was measured using a combination of a 6-item scale from Massey (2001) which includes items on the

qualities of the organisation and its permission to operate and a 6-item scale from Elsbach (1994) which included items on external endorsement and normative activity. Sample items included: *BellaFoods is a safe organisation*, *BellaFoods is a credible organisation*, *BellaFoods should be allowed to make prepared meals*, and *Most of the general public would approve of BellaFoods' operating procedures*. Scale development in legitimacy is in its infancy so further attention to the use of relevant scales was provided in Experiment 2 (see Chapter 4 for full discussion on scale testing).

Crano and Brewer (1986, as cited in Crano (2000)) recommend that scale constructors attain Cronbach alpha co-efficient scores of internal reliability of at least .75 when developing attitude or trait measures. Three of the four scales described above have shown high internal consistency in previous studies with Cronbach alpha scores for the reputation scale reported in the range of .80 - .92 (see for example, Coombs & Holladay, 2002, 2009, 2011), responsibility in the range of .81 - .91 (see for example, Coombs, 1999; Coombs & Holladay, 2001, 2002) and legitimacy of .90 (Massey, 2001). Internal consistency was assessed across all studies in this project.

Each dependent variable was measured as a continuous variable, captured on a 7 item Likert scale with 1 on the scale representing *strong agreement* with the statement and 7 representing *strong disagreement* with the statement. This followed the approach of Brocato et al (2012), Coombs and Holladay (2011), and Kim et al (2009). The scales were reversed in the data entry stage so that higher scores represented stronger agreement on the constructs to aid in the description of the results.

Administration of Data Collection

Data for each experiment were collected in classes at one or more of the four selected universities as outlined earlier. In each experiment, respondents were assigned to one of the constructed scenarios and provided with a research package which consisted of an instruction sheet including consent information, the organisational profile for BellaFoods, a newspaper article(s) which included the relevant independent variables being tested as outlined earlier and a questionnaire (s). The respondent was asked to complete each questionnaire immediately after

reading the relevant material and return the package to the lecturer. This took approximately 15-25 minutes per student depending on the complexity of the experiment.

Data Analysis

Data from the completed questionnaires for each experiment were entered into SPSS Version 19 and checked for entry errors and omissions prior to analysis.

Descriptive statistics were run to identify each sample and to check cell sizes. The manipulation of the independent variables contained in the relevant scenarios were then checked. The mean scores of the manipulation questions were compared using t-tests where there were two treatment groups and ANOVA where there was more than two levels of the variable.

Hypothesis testing for the different experiments required multivariate analysis which simultaneously analysed the relationships among several variables. Assessment of direct and indirect effects of the independent variables on the dependent variables was needed.

For the direct effects, a series of multivariate and univariate analysis of variance measures (ANOVA/MANOVA) were used across the experiments depending on the number of dependent variables being considered. While recognising the description in Chapter 2 of the theoretical differences between the two main dependent variables of reputation and legitimacy under study, MANOVA was used first within each of the analysis protocols recognising the possible combined operation of these variables.

A repeated measures design was adopted for the univariate and multivariate ANOVA analysis as the participants were observed at multiple points in time (Lix & Keselman, 2010). The pre- and post-test strategy was explained previously in this chapter. The repeated measures ANOVA *F* test is the conventional procedure for testing hypotheses about omnibus within-subjects effects. There are four different test statistics that can be used to test the within-subjects interaction: Pillai-Bartlett trace, Roy's largest root criterion, Wilk's lambda and the Hotelling-Lawley trace (Lix & Keselman, 2010). Pillai's trace was used in this study following recommendations from previous research on its robustness over the other tests when

normality assumptions are not tenable (see for example, Olson, 1976). To assist with understanding the data, post hoc multivariate multiple comparisons were undertaken using Tukey's HSD test which is one of the most common post hoc tests in management research (Gravetter & Wallnau, 2004). Effect size was assessed within the ANOVA model using partial eta squared (partial η^2).

To assist with addressing the hypotheses and support the repeated measures analysis, change scores were also analysed at particular points in the analysis across the experiments. Change scores (sometimes referred to as difference scores or gain scores (Gupta et al, 1988) are calculated by deducting the pre-test scores from the post-test scores to create a new dependent variable (Dimitrov & Rumrill, 2003). These scores can be calculated for individual participants or as means across the group. Change score analysis has been criticised for being susceptible to poor reliability under certain circumstances (e.g. Rogosa, 1988; Cronbach & Furby, 1970; Cohen et al, 2003) such as when pre and post test scores have equal variances (Dimitrov & Rumrill, 2003). Others (such as Anderson et al, 1980; Fitzmaurice et al, 2004; Maxwell & Delaney, 1990) are more supportive of its use, suggesting the mathematical difference between outcomes in change score method and repeated measures may be overstated. Recognising this caution, both methods have been used in this study with the change score method used to confirm the results from the repeated measures approach (Lee et al, 2010) and any difference in outcomes highlighted.

In this study, reputation and legitimacy were proposed and tested as discrete variables. Correlation analysis using Pearson product moment correlation coefficients was used to examine the linear relationships between these two variables (Osborne, 2010). Descriptions of correlations were based on the guidelines suggested by Cohen (1988), that is: r=.10 (weak); r=.30 (moderate) and $r \geq .50$ (strong). Two tailed tests were used in correlation analysis.

Reflecting the examination of indirect effects, a number of research questions guiding this study are based on three independent variables (crisis cluster, response strategy and relationship history), two dependent variables (reputation and legitimacy) and one mediator (responsibility). Drawing from the relevant literature, the study hypothesises a 4-way interaction effect among the three independent

variables (one variable has two parts) and a mediation effect on reputation and legitimacy through the variable of responsibility.

Because of the presence of both interaction and mediation in the model being studied, analysis of co-variance (ANCOVA/MANCOVA) under a repeated measures design was also used to analyse the data. ANCOVA and MANCOVA are part of the ANOVA tradition and were developed to improve the power of the test of the independent variable (Miller & Chapman, 2001). These tests bring together the analysis of variance and regression (Fisher, 1948 as cited in Porter & Raudenbush, 1987) to allow for covariation of the independent variables. This can increase the statistical power of the analysis over that of analysis of variance alone.

It is important to consider the presence of measurement error in the mediator as this tends to produce an underestimate of the effect of the mediator and an overestimate of the effect of the independent variable on the dependent variable (Baron & Kenny, 1986). Thus, achieving high internal reliability on the measurement of responsibility was important in the design of this study and the testing of the variable as not achieving this may lead to a meaningful mediator not showing significant effect.

It is also important in mediation models to try and limit confounding variables which limit the ability to demonstrate the causal relationship (Stone-Romero & Rosopa, 2008). In the experiments, information in the scenarios was kept to critical information to provide a context for the manipulation of the independent variables and the treatments were presented in as similar way as possible. This was designed to reduce distractions for the participants which may lead to different perceptions of the key dependent variables of reputation and legitimacy.

The statistical tests used in each experiment to analyse the data and test the hypotheses are outlined in the reporting of results in Chapters 4 - 7.

Limitations

In terms of the research problem around which this study is organised, there are a series of limitations for this study. Where possible, these have been considered in the research design and controlled, however, others are inherent in the design and are noted in analysing the data.

The experimental nature of the design creates an artificial experience for the 'recruited' stakeholder which may not be replicated by the lived experience. Rather than live the crisis experience, participants in the study are reading about the crisis event in media articles and asked to provide their views on certain factors. Some crisis researchers (for example, Coombs & Holladay, 2001) suggest that this may be quite a close representation of how many non-victim stakeholders experience a crisis, therefore the method may not be as dissimilar from the lived experience as first thought. What is dissimilar in this method is the use of a hypothetical company. Use of a real company would take this experiment closer to the field however, it could come with the disadvantage of participants responding on the basis of their knowledge and experience of that company rather than attending to the variables under study.

The topic selected as the basis for the scenario may also influence the participant responses, depending upon the level of resonance with the topic. Topics may appear more relevant to the sample group or more distant.

The experimental method used in this study has limitations as formal control groups were not used in each experiment which may limit internal validity (Rosnow & Rosenthal, 1996), however, this limitation was weighed against the practical issues of introducing control mechanisms in all experiments thereby substantially increasing the required sample size.

The use of a test-retest methodology may also lead participants to focus more closely on the variables under study than they would in a field environment (Babbie, 2004). However, this approach has been selected for its importance in being able to test the changes in the key variables as outlined earlier which is a major contribution of this study to the crisis management literature.

The ability to access a large enough sample size to achieve appropriate levels of power given the complexity of the model design is a further limitation of the study. As effect sizes are often low in social sciences research (Murphy, 2010), a larger sample may have seen increased levels being achieved (Gravetter & Wallnau, 2004). The use of a student sample as opposed to a randomly selected sample from the wider community has already been discussed as a limitation of the study and will limit the generalisability of the findings to the wider population. However, previous

crisis studies (Coombs, 2004; Lyon & Cameron, 2004) have provided comfort on the use of this sample with their experiments finding no significant differences in responses between undergraduate students and community members.

The analytical tests used in this study rely on the soundness of the measures of the dependent variables and the mediator variable. If insufficiently high levels of reliability are present in the tests for these variables, the ability to show the effect is limited (Baron & Kenny, 1986). Given there are no universally accepted measures for the variables under study as outlined in Chapter 2, reliance in the first instance has been based on scales already in use in similar experiments.

The possibility of confounding variables (Stone-Romero & Rosopa, 2008) also limits the study's findings. The decisions of stakeholders in a crisis situation are complex and may involve a range of factors. The experimental nature of the study tried to focus attention on the variables under study with care taken to limit any additional information that was provided as contextual information on the company and the crisis event.

Ethical Considerations

Prior to commencing any of the studies, approval was obtained from the University Human Research Ethics Committee at Queensland University of Technology for Level 1 Low Risk Ethical Clearance (QUTHREC ethical clearance no: 0900001098). The project complied with the National Statement for the Ethical Conduct of Research Involving Humans and the QUT Code of Conduct of Research. Participation in the study was voluntary and participants could withdraw from the project at any time. A written explanation of the project details, its goals and benefits was provided to each participant in the data collection package. a sample participant information and consent form is presented in Appendix 1.

All participation was on an anonymous basis. Basic demographic data were collected during the study to help describe the sample but as the study was conducted on an anonymous basis with large sample sizes, there was no way of relating this back to individual participants.

A powerpoint summary explanation of the theoretical modelling behind the study was offered to lecturers who administered the questionnaires in their classes. The

lecturers could use this material to prompt further discussions on the importance of crisis management in today's business environment and its relationship to the topics of study in their individual subjects to help add value to the time spent by the students undertaking the study.

Conclusion

This chapter has outlined the methodology used to collect data for this study and provided a rationale for the approach. The appropriateness of a quantitative approach taken was established and data collection methods for the experimental design explained. The limitations of this approach were discussed and information on ethical clearance for the study provided. The data analysis procedures were explained as a framework for understanding the research findings in Chapters 4 – 7 and conclusions drawn in Chapter 8.

Chapter 4 Stage One Results

This chapter reports on the results from Stage One of this study as described in Chapter 3. Three experiments are outlined in this chapter. Each experiment is described in detail including a summary of the aims of the experiment, the sample accessed for the experiment and the key data analysis techniques that were employed. The independent and dependent variables used in each experiment are presented. The results of hypothesis testing through the use of multivariate statistical analysis are outlined. Support for the hypotheses is discussed where appropriate and forms the basis for the further analysis and discussion of the research questions in Chapter 8.

Stage One Focus

The focus for Stage One of this study was on the effects of crisis response strategy during different crisis events. Stage One involved three experiments that tested various forms of the main effect of the interaction of crisis cluster and response strategy on stakeholder perceptions of reputation and legitimacy over time. This stage also tested the indirect effect on these perceptions through the proposed mediator of organisational responsibility. The results of each of these experiments are reported separately, noting the key focus and hypotheses for each experiment.

Research Questions

Collectively, these experiments address the following research questions:

Research Question 1

How do crisis response strategies used in response to crises from different crisis clusters influence stakeholder perceptions of organisational reputation and legitimacy?

Research Question 2

How does responsibility mediate the influence of response strategies used during crises from different clusters on stakeholder perceptions of organisational reputation and legitimacy?

Experiment 1 Results

Experiment 1 was a multi-purpose experiment designed to test the relevant hypotheses and serve as a pilot study to test the scenarios to be used in future experiments. In addition, the experiment was intended to confirm the reliability of scales used to measure the dependent variables and the proposed mediator of responsibility, and consider the theoretical claim of difference between the two variables of reputation and legitimacy.

Experiment 1 used a 1 (crisis cluster: accident) x 3 (response strategy: deny, diminish, deal) way design. To operationalise the crisis cluster of accident, the subtype of technical error accident was used as the stimulus in all of the written scenarios (see Appendix 7). As there is only one cluster being tested, there is no test for interaction with strategy in Experiment 1. The three response strategies were scapegoating (from the deny category), excuse (from the diminish category) and compassion (from the deal category). Three different scenarios were developed (see Appendices 8-10).

The sample for Experiment 1 was 143 students drawn from undergraduate and postgraduate classes. Their ages ranged from 20 – 37 years (M = 25, SD 3.77) and included 70% female and 30% male respondents. Cell size for each of the three treatments described earlier ranged from 45 – 50, above the level recommended to meet the reliability measures for analysis (Bernard, 1994).

Manipulation Checks

The success of the independent variables' manipulation in the scenarios was checked by independent t tests and ANOVA. The first manipulation check was conducted to determine if the participants were selecting the theoretically described crisis cluster (accident). As outlined in Table 9, the highest level of agreement was recorded for the accident cluster (M=4.93, SD 1.44). T-tests among each of the pairs showed significant differences among the clusters (Victim – Accident t (142)=-9.824, $p<.05$; Accident-Preventable t (142)=-3.987, $p<.05$; Victim – Preventable t (142)=6.011, $p<.05$).

Table 9: Manipulation check on crisis cluster

Treatment (Crisis Cluster)	***M***	***SD***
Victim	3.65	1.55
Accident	4.93	1.44
Preventable	4.41	1.53

M≥4.0=agree

While participants correctly identified that the event as described did not position BellaFoods as a victim (*M*<4.0 where 4.0 = agree), there was agreement (*M*>4.0) that the event as described matched not only the accident category but could also have matched the preventable category (*M*= 4.41) which reflects the uncertainty at the time of an event as to whether an accident could or could not be preventable. Signals in the scenarios for accidents need to remain strong in future experiments to ensure this does not weaken the selection of the accident cluster.

A second manipulation check using a one way ANOVA was conducted to determine whether the participants were selecting the theoretically described response strategy (deny, diminish, deal) as each participant only read one of the strategy descriptions. The deny treatment saw the company using the scapegoat strategy of blaming someone else; the diminish treatment had the company offering an excuse for the accident; and the deal strategy involved the company using the compassion strategy which includes offering some form of compensation as described by Coombs (2006). As outlined in Table 10, for the diminish treatment, the overall effect for the manipulation check item was significant ($F(2,140)=4.056$, $p<.05$) and the correct strategy was selected (*M*=5.80, *SD* =1.37). The correct strategy was also selected for the deal treatment (*M*=5.29, *SD* = 1.61) and the overall effect for the deal treatment was significant ($F(2,140)=15.76$, $p<.05$). However, there was no significant difference for the deny treatment ($F(2,140)=.250$, $p>.05$). In this condition, the incorrect strategy of deal was marginally favoured by the participants (*M*=4.14, *SD*=1.28).

Table 10: Manipulation check on strategy

Treatment (Response Strategy)	**Deny** ***M (SD)***	**Diminish** ***M (SD)***	**Deal** ***M(SD)***	***F***	**df**
Deny	**3.96 (1.51)^**	3.95 (1.69)	4.14 (1.28)	.250	2,140
Diminish	4.96 (1.66)	**5.80 (1.37)^**	5.54 (1.36)	4.056*	2,140
Deal	3.44 (1.40)	4.08 (1.92)	**5.29 (1.61)^**	15.768*	2,140

^= correct strategy, **p<.05*

Further analysis of the deny condition in the scenario suggested that the wording of the denial statement (*The supplier of the tank caused the crisis.*) may have been seen by participants as focusing on a third party taking responsibility rather than BellaFoods shifting the blame to another party which is the essence of the deny strategy. The focus on the company was consistent across the other two categories but inconsistent in this one. Rewording the question in the following experiments to maintain a focus on the company (e.g. *BellaFoods blamed someone else for the explosion.*) was used to help clarify that it was the company denying responsibility rather than someone else taking responsibility.

Reliability Analysis

Internal reliability analyses were run on the items used to operationalise the two dependent measures of reputation and legitimacy and the proposed mediator of responsibility (see Table 11).

Responsibility was measured at two times and used a three item scale adapted from Griffin, Babin and Darden (1991). The inter-item reliability for responsibility using Cronbach alpha was moderate (α = .695-.756) and slightly lower than in the Griffin et al experiments (α = .81-.91).

Reputation was measured across three time periods and was assessed using a five-item scale developed from McCroskey (1966) and adapted by Coombs & Holladay (1992) which has been tested across a range of experiments at α = .80-.92. The inter-item reliability for reputation measured by Cronbach alpha (α = .621-.794) was

slightly lower than Coombs & Holladay but within a reasonable range for the experiment.

Legitimacy was also measured across three time periods and was assessed using a six item scale developed by Massey (2001) and reported with high internal consistency (α = .90). The inter-item reliability for legitimacy was high in experiment 1 (α = .815-.883) and close to that reported by Massey.

Table 11: Internal reliability checks on dependent variables across time

Time	**Reputation** ***M*** **(SD)**	**Reputation α**	**Legitimacy** ***M*** **(SD)**	**Legitimacy α**	**Responsibility** ***M*** **(SD)**	**Responsibility α**
1	4.44 (.85)	.638	4.45 (.96)	.815	n.a.	n.a.
2	4.23 (.90)	.621	4.03 (1.04)	.820	3.84 (1.24)	.695
3	4.20 (1.08)	.794	3.96 (1.16)	.883	3.93 (1.21)	.756

Testing for Discrete Dependent Variables

This study has followed the theoretical lead of Deephouse and Carter (2005), Rao (1994), and Zyglidopoulos (2003) by considering reputation and legitimacy as discrete constructs albeit related. To test this proposition, correlation analysis using a two-tailed test was conducted at each of the relevant time periods to test the association between reputation and legitimacy. Pearson r was significant at all time periods with correlation lowest at Time 1 and highest at Time 3 (see Table 12). Time 1 is an indicator of the relationship before the other independent variables which are designed to impact the dependent variables are added and, as such, provides an important time point for this assessment.

Table 12: Correlation analysis of reputation and legitimacy across time

Time	**Reputation** ***M*** **(SD)**	**Legitimacy** ***M*** **(SD)**	**Pearson r**
1	4.42 (.84)	4.40 (.86)	.490**

2	4.19 (.80)	3.96 (.92)	.590**
3	4.20 (1.08)	3.90 (1.07)	.668**

** Correlation is significant at the 0.01 level (2-tailed)

Using Cohen's (1988) guidelines, the variables have a strong correlation as expected, however, the level of association allows for different impacts by the independent variables. The levels of discriminant validity as outlined in Table 12 were monitored across the different experiments in this study.

Hypothesis Testing

There are two parts of the overall model being tested in Experiment 1.

The first part tests propositions around how different responses in the accidental crisis cluster influence stakeholder perceptions of organisational reputation and legitimacy.

Relevant Hypotheses

> *Hypothesis 1.1*
>
> *A matched crisis response will maintain the level of stakeholder perceptions of organisational reputation and legitimacy recorded immediately following the crisis event.*
>
> *Hypothesis 1.2*
>
> *A mismatched crisis response will not maintain the level of stakeholder perceptions of organisational reputation and legitimacy recorded immediately following the crisis event.*

As the accident crisis cluster is being tested in Experiment 1, the matched response under Coombs (2007) is drawn from the diminish category with the responses from the deny and deal categories representing mismatched strategies (see Table 6 for full explanation).

A series of statistical tests were undertaken to test the hypotheses. A repeated measures MANOVA was undertaken with both dependent variables (reputation and

legitimacy) across all time periods. This was followed by repeated measures ANOVA tests on each of the two dependent variables and the proposed mediator variable of responsibility. A second ANOVA test was undertaken using a change score for each dependent variable and the mediator. The change score represented a computed mean based on the change in variable over specific time periods. These tests are described further in the relevant sections. Unless indicated elsewhere, significance levels were set at $p<.05$ within the different tests. Where no change in a particular dependent variable was hypothesised, the absolute level of change in the variable has been examined and reported as well as the specific levels of significance which are expected to be well outside the null hypothesis testing level of $p<.05$.

To assess whether stakeholder perceptions of organisational reputation and legitimacy were being maintained at the level following the crisis event, a repeated measures test was run across time periods as outlined in Chapter 3. The dependent variables were measured at time 1 (only company information), time 2 (crisis event) and time 3 (organisational response strategy). The measurement at time 1 gives a baseline measure of reputation and legitimacy and should not show any significant differences between subject groups as all participants have received the same information. Any change in the reputation and legitimacy scores at time 2 should be related to the crisis event with a significant decline in the scores from the time 1 baseline expected due to the crisis. However, there should still not be any significant differences between subject groups at time 2 as all information is similar across the groups. The level of reputation and legitimacy recorded at time 2 is important as it is this level from which the ability of the response strategy to maintain or not maintain reputation and legitimacy is being assessed. This requires measurement of reputation and legitimacy at time 2 and time 3 to ascertain any change in the scores. A positive change would signify an improvement in stakeholder perceptions of reputation or legitimacy and a negative change would show a degradation in stakeholder perceptions. Significant differences should be seen across the participant groups at time 3 as different response strategies have been read by the groups.

To test how reputation and legitimacy were being influenced across the time periods, a repeated measures MANOVA was run incorporating both dependent variables. Using Pillai's Trace as the multivariate test statistic, time was shown to be having a

significant effect on reputation and legitimacy ($F(4,135)=8.249$, $\eta p^2=.196$, $p<.05$, observed power .998). As this covers all time periods, a further omnibus check was done focusing on the effect from time 2 to time 3. This check used computed variables for the difference in means for reputation and legitimacy from time 2 to time 3 which is the focus period for the hypotheses. The scores at time 2 were subtracted from the scores at time 3. The results of the one way MANOVA demonstrated that strategy was having a statistically significant main effect on changes in reputation and legitimacy scores across time 2 to time 3 ($F(4,278)=4.000$, $\eta p^2=.054$, $p<.05$, observed power .907). To determine how reputation and legitimacy were being influenced at each time period by the different independent variables and the different strategy treatments, each dependent variable is now examined separately.

Reputation

Using Pillai's Trace as the univariate test statistic across all time periods, time was shown to have a significant effect on reputation ($F(2,138)=4.115$, $\eta p^2=.054$, $p<.05$, observed power .700). Looking at the different time periods, reputation declined across the three strategy groupings from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of reputation. There was no significant difference in reputation scores across the three strategy groups at time 1 ($F(2,139)=1.732$, $\eta p^2=.024$, n.s., observed power .355) or time 2 ($F(2,139)=.012$, $\eta p^2=.000$, n.s., observed power .052) as predicted. However, a significant difference was present at time 3 as predicted ($F(2,139)=6.171$, $\eta p^2=.08$, $p<.05$, observed power .879) which suggests strategy is having a main effect on perceptions of reputation.

Posthoc analysis using Tukey's HSD test among the three strategy types at time 3 showed significant differences between the diminish strategy ($M=3.93$, $SD=1.10$) and the deal strategy ($M=4.62$, $SD=.97$, $Mdiff=-.695$, SE=.216, $p<.05$); and the deny strategy ($M=4.03$, $SD=1.06$) and deal strategy ($M=4.62$, $SD=.97$, $Mdiff=-.597$, SE=.210, $p<.05$); but not between the deny ($M=4.03$, $SD=1.06$) and the diminish strategies ($M=3.93$, $SD=1.10$, $Mdiff=.098$, SE=.214, n.s.). Earlier analysis had showed difficulty in the participants identifying the deny strategy correctly which may be affecting this outcome. The deny and diminish strategies are also closest to each other on the strategy continuum (deny, diminish, deal) so this lack of

significance may be related to the test instruments and, consequently, was reconsidered prior to the next experiment. The deal strategy resulted in the highest reputation score at time 3 (*M*=4.62, SD.97).

While the analysis shows that different strategies result in different scores for reputation, the focus for the hypotheses is on whether each strategy maintains the reputation level at that of time 2 or not. It is therefore important to check how reputation scores have moved from this time point. The omnibus ANOVA test using the difference in reputational means from time 2 to time 3 showed strategy was having a significant main effect on the shift in reputation scores ($F(2,139)=8.255$, $\eta p^2=.106$, $p<.05$, observed power .959). Having established this significance, each strategy can be examined to establish whether its effect was as predicted. Three options are possible: an increase in reputation scores representing an improvement in reputation, a decrease in reputation scores representing a degradation in reputation or no change in reputation scores representing maintenance at the level of the crisis event.

Post hoc analysis from the repeated measures ANOVA with Tukey's HSD test was used to assess each strategy (see Figure 13). The match strategy of diminishing responsibility for the crisis was predicted to maintain reputation. As this prediction is examining no change in the position of the level of the dependent variable, the absolute level of change in the variable has been examined to ensure any change is very minimal and a strongly non-significant result sought. There was a very slight decline in reputation scores from time 2 (*M*=4.17, *SD* .82) to time 3 (*M*=3.93, *SD*=1.10, *Mdiff* = -.244, SE=.132, n.s.) and as expected, this result had a high level of non-significance at p=.187. Thus using these combined factors, reputation was considered to be maintained and the hypothesis supported. The other two strategies are hypothesised to not maintain reputation, that is, reputation scores should increase or decrease.

The mismatched strategy of denying responsibility for an accident is seen as an insufficient response under the SCCT model and therefore should have a detrimental effect on reputation. There was a slight decline in reputation scores as hypothesised, however, the result was not significant ($M_{time\ 2}$ =4.20, *SD*=.80, $M_{time\ 3}$ = 4.03, *SD*=1.06, *Mdiff*=-.171, SE=.125, n.s.). Dealing with responsibility, another

mismatched response, saw a statistically significant increase in reputation scores confirming the initial hypothesis of match vs mismatched responses ($M_{time\ 2}$ =4.19, *SD*=.81, $M_{time\ 3}$ = 4.62, *SD*=.97, *Mdiff*=.434, SE=.129, p<.05). The participants rewarded the company for doing more than was needed so there was a positive effect on reputation as evidenced by higher scores at time 3 than at the baseline of time 2. However, this improvement in reputation score needs to be considered in light of the financial and resource costs to the company of this compensation strategy and therefore, a significantly more positive effect on reputation would be expected than just doing what was required (the match strategy of excuse). The deal strategy saw a complete recovery of the organisation's reputation from the crisis event with the reputation at time 3 (*M* = 4.62, *SD*=.97) being higher than the reputation at time 1 (*M*=4.39, SD=.73). This did not occur for any of the other strategy options.

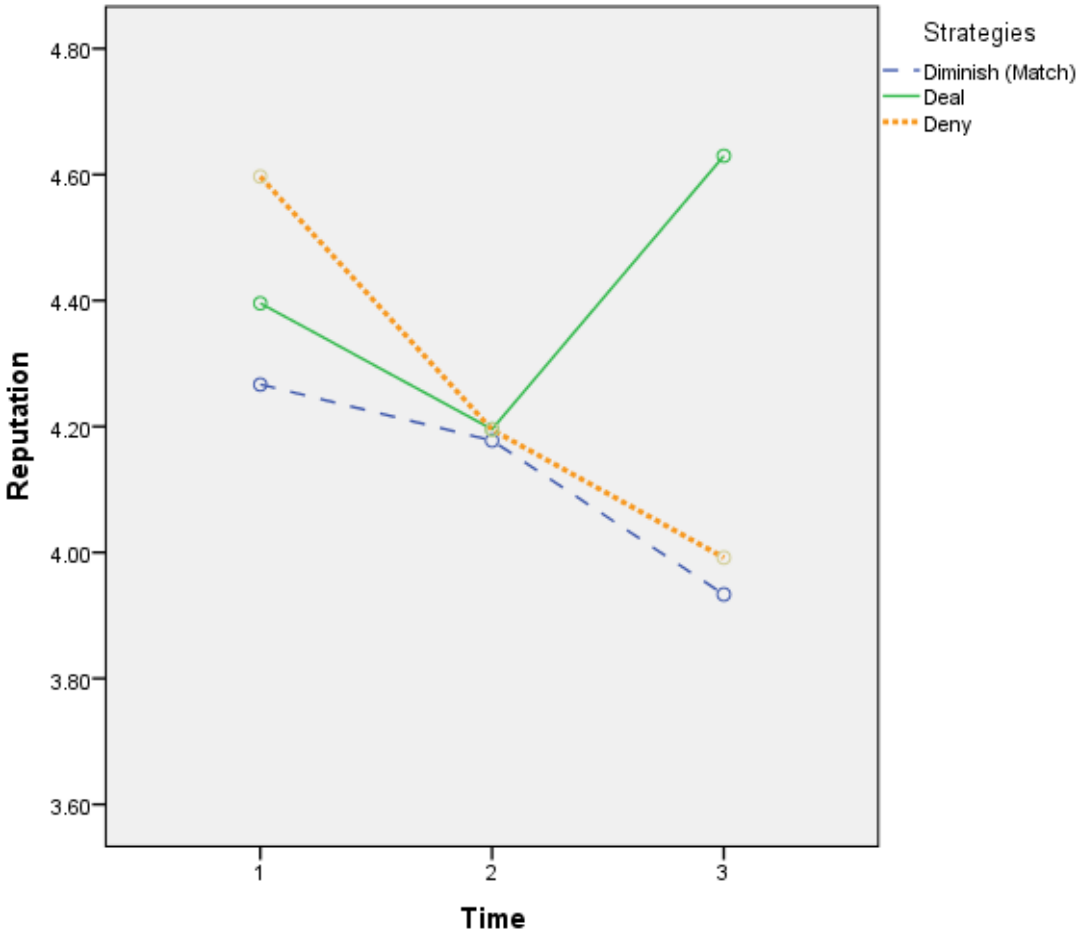

Figure 13: Impact of different strategies on reputation over time

Legitimacy

Using Pillai's Trace as the univariate test statistic across all time periods, time was shown to also be having a significant effect on legitimacy ($F(2,137)=16.400$, $\eta p=.193$, $p<.05$, observed power 1.00). Like reputation, legitimacy scores also declined across the three strategy groupings from time 1 to time 2 again confirming that information on the crisis event negatively affected perceptions of legitimacy. There was no significant difference in legitimacy scores across the three strategy groups at time 1($F(2,138)=.077$, $\eta p^2=.001$, n.s., observed power .057) or time 2 ($F(2,138)=.422$, $\eta p^2=.006$, n.s., observed power .117) as predicted. However, unlike reputation, there was also no significant difference at time 3 ($F(2,139)=1.739$, $\eta p^2=.025$, n.s., observed power .368). Therefore, no main effect of crisis response strategy on legitimacy was established.

The omnibus ANOVA test using the difference in legitimacy means from time 2 to time 3 confirmed this finding by showing that strategy was not having a significant main effect on the shift in legitimacy ($F(2,139)=2.952$, $\eta p^2=.041$, n.s., observed power .567).

As the significance level was p=.056, just outside the established level of $p<.05$ used in this experiment, and this was the preliminary experiment in this series, the data was analysed further to identify possible trends in movement, albeit not significant shifts. Movements in the legitimacy means across the different strategy types from time 2 to time 3 were assessed through post hoc analysis from the repeated measures ANOVA. Each strategy was assessed as to whether it maintained legitimacy at the baseline measure at time 2 or not (see Figure 14). The match strategy of diminishing responsibility for the crisis was predicted to maintain legitimacy which was established with a non-significant movement across time ($M_{time\ 2}$ =3.87, SD=.94, $M_{time\ 3}$ = 3.71, SD=1.04, $Mdiff$=.163, SE=.120, n.s.). As with reputation, the absolute level of change for the matched strategy was miniscule and the significance level was well outside the parameters set at p=.440. The other two strategies are hypothesised to not maintain legitimacy, that is, a significant change is sought.

The mismatched deny strategy resulted in a slight decline in legitimacy scores as hypothesised, however the result was not significant. ($M_{time\ 2}$ =4.05, SD=.89, $M_{time\ 3}$ = 3.84, SD=1.05, $Mdiff$=-.204, SE=.115, n.s.). Denying responsibility for an

accident is seen as an insufficient response under the SCCT model and, therefore, should have a detrimental effect on legitimacy. Dealing with responsibility, another mismatched response, saw an improvement in legitimacy scores ($M_{time\ 2}$ =3.94, *SD*=.96, $M_{time\ 3}$ = 4.12, *SD*=1.10, *Mdiff*=.177, SE=.117, n.s.), so while the trend was correct, the initial hypothesis cannot be established as the result was not significant. Based on the trend, as with reputation, the participants appear to reward the company for doing more than was needed through the deal response so there was an improvement in judgments on legitimacy over the time period. However, the same considerations of doing more than necessary apply here as well. Unlike reputation, the deal strategy did not see a full recovery to the pre-crisis event legitimacy status so some damage to legitimacy occurred.

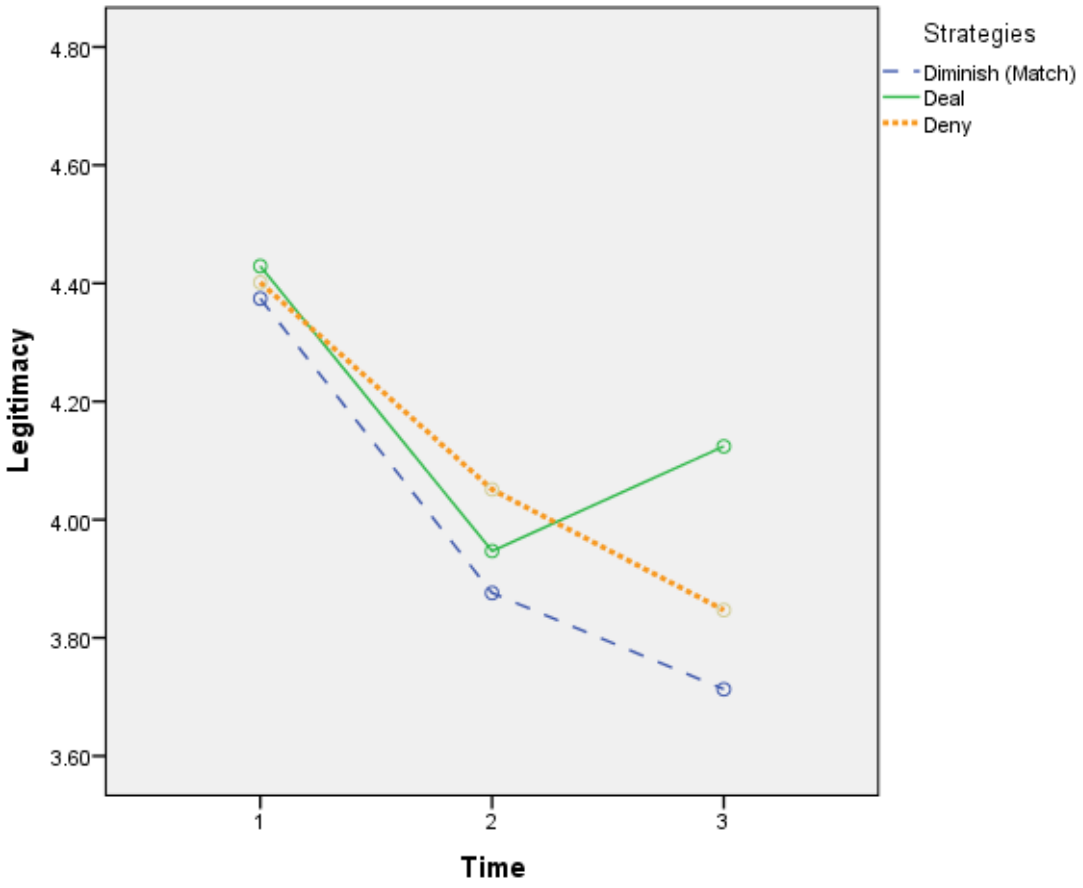

Figure 14: Impact of different strategies on legitimacy over time

In summary, the hypothesis for the match strategy was supported, however, the hypothesis for the mismatched strategies can only be supported on trend data with

non-significant results achieved. Findings of significance in the impact of strategy on changes to reputation but not on changes to legitimacy provide further support to considering these two dependent variables as being associated yet substantively different as demonstrated earlier through the correlation analysis (see Table 12).

Responsibility

The second part of the overall model being tested in Experiment 1 involves the proposed mediator of responsibility. This part of the study tests propositions around how different response strategies used in a crisis from the accidental cluster influence stakeholder perceptions of organisational reputation and legitimacy through responsibility. In other words, if the response strategy changes the level of responsibility assigned to the organisation at the time of the crisis, there should be a subsequent change to its reputation and legitimacy scores.

Relevant Hypotheses

Hypothesis 2.1

> *A matched crisis response will maintain the level of stakeholder perceptions of organisational responsibility and will subsequently maintain the level of stakeholder perceptions of reputation and legitimacy recorded immediately following the crisis event.*

Hypothesis 2.2

> *A mismatched crisis response will not maintain the level of stakeholder perceptions of organisational responsibility and will subsequently not maintain the level of stakeholder perceptions of reputation and legitimacy recorded immediately following the crisis event.*

To assess whether stakeholder perceptions of crisis responsibility were being maintained or changed by a particular strategy, a repeated measures ANOVA was run across time periods with responsibility as a dependent variable. Responsibility was measured at time 2 (crisis event) and time 3 (organisational response). The measurement at time 2 gives a baseline measure of attributed responsibility based on the crisis event and should not show any significant differences between subject groups as all participants have received the same information. The ability of the

response strategy to maintain responsibility requires measurement of this variable at time 2 and time 3. Significant differences should be seen across the participant groups at time 3 when different response strategies are read by the groups.

For the first test of responsibility as a dependent variable using Pillai's Trace as the univariate test statistic, the full model analysis showed time was not having a significant effect on responsibility ($F(1, 139)=.043$, $\eta p^2=.000$, n.s., observed power .055). Looking at the strategy groups, there was no significant difference between the groups at time 2 ($F(2,139)=.539$, $\eta p^2=.008$, n.s., observed power .138) as expected, however, there was also no significant difference at time 3 ($F(2,139)=.302$, $\eta p^2=.004$, n.s., observed power .098). This was confirmed by testing the effect of strategy on the mean difference in responsibility from time 2 to time 3 as the only difference between these time periods is the introduction of the response strategy. The one way ANOVA showed no significant main effect for strategy ($F(2,139)=.518$, $\eta p^2=.007$, n.s., observed power .134).

While significant shifts were not demonstrated, the movement in attributed responsibility from time 2 to time 3 by individual strategies was examined to ascertain trend data for the subsequent experiments (see Figure 15). The matched strategy of diminishing responsibility was hypothesised to maintain responsibility which was confirmed with a very small absolute decline which had a very high level of non-significance at p=.932 ($M_{time\ 2}$ =3.73, SD=1.20, $M_{time\ 3}$ = 3.71, SD=1.18, $Mdiff$=-.015, SE=.173, n.s.). The mismatched deny strategy did provide a slight increase in perceptions of responsibility as predicted ($M_{time\ 2}$ =3.74, SD=1.21, $M_{time\ 3}$ = 3.90, SD=1.18, $Mdiff$=.153, SE=.164, n.s.) although the result was not significant. The mismatched deal strategy provided a slight decrease in responsibility ($M_{time\ 2}$ =3.95, SD=1.09, $M_{time\ 3}$ = 3.87, SD=1.29, $Mdiff$=-.078, SE=.169, n.s.) but the change was not significant.

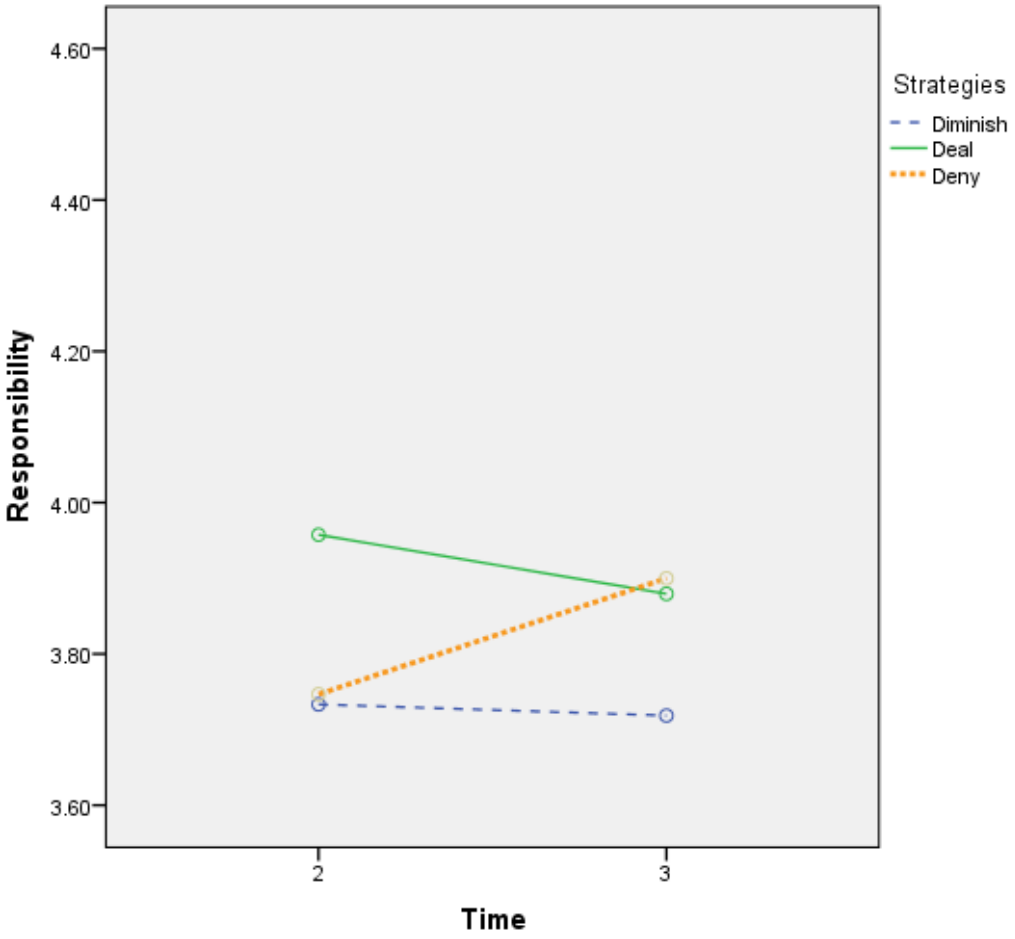

Figure 15: Changes in responsibility over time

As no significant effect of strategy on responsibility could be established, the planned further testing of mediation using MANCOVA was not undertaken. Instead, the trend data on the relationships previously established through the main effects analysis were compiled.

Under the second set of hypotheses, the matched response of diminish responsibility should maintain stakeholder perceptions of crisis responsibility and subsequently maintain organisational reputation and legitimacy across time periods 2 and 3 and the mismatched deny and deal responses shouldn't.

As noted earlier, the diminish strategy maintained responsibility from time 2 to time 3 with a subsequent slight decline in reputation scores and no movement in legitimacy scores therefore the predicted link between responsibility and the dependent variables of reputation and legitimacy was largely supported.

The mismatched deny strategy was predicted to not maintain responsibility since the deny strategy has less credibility in the accident case and therefore reputation and legitimacy should be influenced. Responsibility did increase with this strategy and there was a slight decline in reputation and legitimacy scores although the movement in these variables is not significant. The final deal response saw a slight decrease in responsibility against prediction and a subsequent improvement in reputation which was significant and a non-significant improvement in legitimacy so while the initial part of the hypothesis was not supported, the effect of responsibility on reputation and legitimacy supports the broader hypothesis, that is, if responsibility decreases, reputation and legitimacy should be maintained or improved. As the deal strategy is considered more than needed on the assumption of responsibility through the accident type, the participants have rewarded the company for this strategy through providing more positive scores for reputation and legitimacy. It should be remembered that the deal strategy used in this experiment, compassion, doesn't explicitly accept responsibility, rather it provides compensation for those involved. Only one of the strategies in the deal category, apology, explicitly accepts responsibility for the crisis. The effect of this strategy is tested in Experiment 3.

One further test on the relationship between responsibility, reputation and legitimacy was undertaken to inform the following experiments. Correlation analysis was undertaken with the three variables across two time periods to further identify associations. As reported earlier in Table 12, reputation and legitimacy have moderate and significant correlation at time 2 (r=.590, p=0.01) and time 3 (r=.668, p=0.01). As this is stable across the time periods, shifts in correlation of these dependent variables with the third variable, responsibility, should not be due to changes in this initial relationship.

Table 13: Correlation analysis of responsibility with reputation and legitimacy across time

	Reputation Time 2 **Pearson *r***	**Legitimacy Time 2** **Pearson *r***	**Reputation Time 3** **Pearson *r***	**Legitimacy Time 3** **Pearson *r***
Responsibility Time 2	-.393**	-.488**	-.274**	-.342**
Responsibility Time 3			-.535**	-.643**

** Correlation is significant at the 0.01 level (2-tailed)

At time 2, responsibility as identified by the participants is the attributed responsibility based on the crisis event. As outlined in Table 13, this is showing low to moderate correlation with reputation and legitimacy at time 2, however, this correlation decreases at time 3 suggesting something else has impacted the association between the attributed responsibility and the subsequent reputation and legitimacy. The different factor at time 3 is the crisis response strategy which is designed to act on the initial attributed responsibility of the crisis type and change the attributed responsibility in line with the response strategy (that is, to deny responsibility, diminish it or deal with it). The newly attributed responsibility at time 3 is showing a higher correlation with reputation and legitimacy at time 3 than the original attributed responsibility of time 2. This suggests judgments about responsibility have changed despite no significant shifts in responsibility in the earlier analysis. A higher association between responsibility and reputation and legitimacy at time 3 suggests the strategy has started to reshape the level of attributed responsibility and this influences the participants' judgments on reputation and legitimacy albeit the effect size may be too small to be picked up in the repeated measures analysis.

Summary of Experiment 1 Results

Experiment 1 provided initial partial support for the research hypotheses, confirming the predicted relationship between response strategy and changes in reputation scores in the accident crisis cluster. The matched strategy of diminishing responsibility maintained reputation from the time of the crisis event as predicted. The

mismatched strategy of dealing with responsibility through the compassion strategy led to an improvement in reputation scores from the time of the crisis event as predicted and the insufficient mismatched strategy of denying responsibility saw a non-significant decline in reputation scores.

The predicted significant relationship between response strategy and changes in legitimacy scores was not established, however trend data suggested the relationships were in the right direction with the maintenance of legitimacy scores for the matched diminish strategy, a slight decline in legitimacy scores for the deny strategy and a slight improvement in legitimacy scores for the deal strategy.

In addition, significant results were not established for the relationship between strategy and changes in responsibility, thus the important first step in establishing the hypothesised mediation effect was not supported. Support was provided for the impact of changes in responsibility on changes in reputation and legitimacy scores, however, the level of change in responsibility being achieved in response to the individual scenarios may not be sufficient to show a significant relationship between strategy and responsibility.

Experiment 1 also provided support for the impact of the crisis event on reputation and legitimacy with significant main effects established for the crisis cluster of accident on these variables. This is further explored in Experiment 2 which allowed for comparison of the impact of different crisis clusters.

Experiment 2 Results

While Experiment 1 used the accident crisis cluster for its scenario development, Experiment 2 tested the other two crises clusters: victim and preventable, thereby ensuring that after the two experiments, all three possible crisis clusters had been analysed. As with Experiment 1, the experiment was multi-purpose, designed to test the relevant hypotheses, test the remaining scenarios to be used in future experiments and confirm the reliability of scales used to measure the dependent variables and the proposed mediator. The experiment also provided a further test of discriminant validity for reputation and legitimacy and tested the reliability of an expanded scale for legitimacy recognising the debate in the literature on the appropriateness of different scales (see for example, Deephouse & Carter, 2005; Massey, 2001).

Experiment 2 employed a 2 (crisis cluster: victim and preventable) x 3 (response strategy: deny, diminish, deal) way design. To operationalise the crisis cluster of victim, the subtype of workplace violence was used as the stimulus in the scenarios (see Appendix 11). For the preventable crisis cluster, the crisis subtype of organisational misdeeds was used (see Appendix 15). The three response strategies were scapegoating (from the deny category) which had been strengthened from Experiment 1, excuse (from the diminish category) and compassion (from the deal category). Six different scenarios were developed (see Appendices 12-14; 16-18).

The sample for Experiment 2 was 233 students drawn from undergraduate and postgraduate classes. Their ages ranged from 18 – 60 years (M = 23, SD 4.52) and included 77% female and 23% male respondents. Cell size for each of the six treatments ranged from 34-42, above the level recommended to meet the reliability measures for analysis (Bernard, 1994).

Manipulation Checks

A series of ANOVA tests were used to check the success of the independent variables' manipulation. The first manipulation check was conducted to determine if the participants were selecting the theoretically described crisis cluster (victim or preventable) present in the different scenarios. As the manipulation check questions had been included at time 2 and time 3, tests for selection of crisis cluster were run at both times.

Each participant was asked whether the scenario they had read fell in the category of victim, accident or preventable. Significant differences were expected on the question relating to the victim category as only three of the six possible treatments had read this category and a similar result was expected for the question relating to the preventable category. None of the groups read a scenario relating to the accident category so no significant difference across the sample was expected. At time 2 and time 3, significant differences were found in the victim and preventable categories but not in the accident category as outlined in Table 14 so the manipulations were supported.

Table 14: Manipulation check on crisis cluster across time

Time	**Manipulation Check on Crisis Cluster**	**Victim Crisis Cluster Scenario** ***M(SD)***	**Preventable Crisis Cluster Scenario** ***M(SD)***	***F***	**df**
2	Victim	**4.77** (.82) ^	3.30 (1.21)	114.838*	1,231
	Accident	2.72 (1.16)	2.62 (1.30)	.362	1,231
	Preventable	3.23 (1.05)	**5.50** (1.08) ^	260.670*	1,231
3	Victim	**4.59** (1.16) ^	3.41 (1.23)	55.572*	1,231
	Accident	2.81 (1.44)	2.96 (1.28)	.766	1,231
	Preventable	3.10 (1.27)	**5.31** (1.11) ^	203.286*	1,231

^= correct cluster *p<.05; M>4.0=agree

The crisis cluster was tested across time 2 and time 3 to determine if the presence of strategy response at time 3 was leading to participants reconsidering their cluster selection. Given the importance of cluster selection for the subsequent model, any change at this level would be important and would need to be reconsidered in terms of its impact on the ability to select a matching strategy. The results suggested no change with similar results found across both time periods.

A second manipulation check using a one way ANOVA was conducted to determine whether the participants were selecting the theoretically described strategy (deny, diminish, deal) as each participant only read one of the strategy types. These treatments were held steady from Experiment 1 except for the deny treatment which was strengthened based on weak findings. The deny treatment involved the company using the scapegoat strategy of blaming someone else; the diminish treatment involved the company offering an excuse; and the deal strategy involved the company using the compassion strategy which includes offering some form of compensation. The check was carried out at time 3. As outlined in Table 15, participants selected the correct strategy in each treatment category with a significant difference demonstrated among the strategies in each of the groupings. These results suggested the rewording of the deny treatment from Experiment 1 was successful and provided a good foundation for the scenario wording for the final experiment.

Table 15: Manipulation check on strategy

Treatment (Response Strategy)	**Deny** ***M (SD)***	**Diminish** ***M (SD)***	**Deal** ***M(SD)***	***F***	**df**
Deny	**5.77 (1.42)^**	4.06 (1.41)	4.12 (1.43)	36.424*	2,230
Diminish	4.40 (1.32)	**6.00 (1.05)^**	4.84 (1.38)	34.647*	2,230
Deal	2.87 (1.39)	3.65 (1.34)	**5.69 (1.28)^**	887.805*	2,230

^= correct strategy, *$p<.05$*

Reliability Analysis

As with Experiment 1, internal reliability analyses were conducted on the items used to operationalise the two dependent measures of reputation and legitimacy and the proposed mediator of responsibility.

Responsibility was measured at two times and used a three item scale adapted from Griffin, Babin and Darden (1991). The inter-item reliability for responsibility using Cronbach alpha was moderate (α = .785-.804) and slightly stronger than in Experiment 1 (α = .695-.756).

Reputation was again measured across three time periods and was assessed using a five-item scale developed from McCroskey (1966) and adapted by Coombs & Holladay (1992). The inter-item reliability for reputation measured by Cronbach alpha is within a reasonable range for the experiment (α = .690-.818) and also improved from Experiment 1 (α = .621-.794).

The legitimacy scales were examined further in this experiment with the use of a combination of Massey (2001) and Elsbach (1994) legitimacy scales. Both these scales add components of the legitimacy definition as outlined in Chapter 2.

Factor analysis was run across each scale individually and the combined scale. With the Massey scale of 6 items, there was one dominant factor accounting for 66% of the variance in the scale and the scree test showing an Eigenvalue of 4.007 for that

factor. The exploratory factor analysis in Table 16 showed a high loading of the individual items on the factor of between .75 and .87.

Table 16: Component matrix of Massey scale (1)

Component items	Component 1[a]
Safe	.759
Legitimate	.825
Credible	.875
Good	.825
Continue specific business	.767
Continue operations generally	.846

a. 1 component extracted

A further factor analysis was run on Massey's scale to examine a two factor solution representing the two main factors explained theoretically in its development: the qualities of the organisation and its permission to continue operations. The analysis in Table 17 showed that while the permission to operate items are loading together on the second factor, there is still strong support for the principal factor.

Table 17: Component matrix of Massey scale (2)

Component items	Component 1[a]	Component 2[a]
Safe	.759	
Legitimate	.825	
Credible	.875	
Good	.825	
Continue specific business	.767	.568
Continue operations generally	.846	.399

a. 2 components extracted

With the Elsbach scale of 6 items, there was one dominant factor accounting for 56% of the variance in the scale and the scree test showing an Eigenvalue of 3.392 for that factor. The exploratory factor analysis in Table 18 showed a high loading of the individual items on the factor of between .58 and .81.

Table 18: Component matrix of Elsbach scale (1)

Component Items	Component 1[a]
External endorsement 1	.753
Normative activity 1	.785
Internal endorsement 1	.761
External endorsement 2	.790
Normative activity 2	.816
Internal endorsement 2	.583

a. 1 component extracted

A further factor analysis was run on Elsbach's scale to consider the three main factors explained theoretically in its development: internal endorsement of the organisation, external endorsement of the organisation and normative activity by the organisation to align with standards and regulations. While the analysis presented in Table 19 is not as clear as that for Massey, there is strong support for one underlying factor. However, the two items on internal endorsement are loading together with one of the items having a considerably lower relationship with the other scale items in terms of the dominant factor. While this supports the theoretical difference of the component factors of internal and external endorsement, the scenario did not provide any information on the perspectives of employees and therefore the participants are not in a position to make an informed judgement on these items. They can contribute to external endorsement as they are representative of an organisation's external stakeholders such as potential customers or community members. Therefore, these two scale items were deleted from the analysis in the remaining experiments.

Table 19: Component matrix of Elsbach scale (2)

Component items	Component 1[a]	Component 2[a]	Component 3[a]
External endorsement 1	.753		
Normative activity 1	.785		
Internal endorsement 1	.761		-.477
External endorsement 2	.790		
Normative activity 2	.816		
Internal endorsement 2		.727	.324

a. 3 components extracted

The two scales were then collapsed to confirm the support for reporting the combined legitimacy scale as one concept in the analysis. There was one dominant factor accounting for 54% of the variance in the scale and the scree test showing an Eigenvalue of 6.519 for that factor. The exploratory factor analysis showed a high loading of the individual items on the factor of between .50 and .82. As outlined in Table 20, a second factor analysis with two factors again confirmed the different performance of the two internal endorsement items, supporting their removal from the final scale.

Table 20: Component matrix of Combined scale

Component items	Component 1	Component 2[a]
Safe	.719	
Legitimate	.766	
Credible	.824	
Good	.792	
Continue specific business	.719	
Continue operations generally	.827	
External endorsement 1	.765	
Normative activity 1	.726	

Internal endorsement 1	.642	.566
External endorsement 2	.744	
Normative activity 2	.758	
Internal endorsement 2		.532

a. 2 components extracted

Overall, the combination of the legitimacy scales demonstrated strong content validity while allowing for a better sense of the complex measure of legitimacy than did individual scales. The items representing the range of elements on organisational qualities, permission to operate, external endorsement and normative activity continue to load strongly on one factor supporting the use of a combined legitimacy scale in future analysis. The two items of internal endorsement did not show as clear a position on this factor and therefore were eliminated from future consideration.

As a final check, the reliability of the different legitimacy scales were checked using Cronbach α, confirming strong reliability for the revised scale across the time periods as outlined in Table 21.

Table 21: Internal reliability checks on the different legitimacy scales across time

Scale	**Time 1 *M* (SD)**	**Time 1 α**	**Time 2 *M*(SD)**	**Time 2 α**	**Time 3 *M*(SD)**	**Time 3 α**
Massey	4.79 (.99)	.898	4.14 (1.05)	.891	4.26 (.85)	.905
Elsbach	4.50 (.78)	.867	3.62 (.90)	.808	3.64 (1.00)	.852
Combined	4.65 (.83)	.921	3.88 (.88)	.896	3.95 (.81)	.915
Revised	4.72 (.89)	.922	4.01 (.94)	.904	4.05 (1.10)	.920

Reliability measures for all of the dependent variables are strong across the time period as outlined in Table 22.

Table 22: Internal reliability checks on dependent variables across time

Time	Reputation *M* (SD)	Reputation α	Legitimacy (revised) *M* (*SD*)	Legitimacy (revised) α	Responsibility *M* (*SD*)	Responsibility α
1	4.73 (.85)	.690	4.72 (.89)	.922	n/a	n/a
2	4.09 (.89)	.726	4.01 (.94)	.904	4.08 (1.37)	.805
3	4.22 (1.02)	.818	4.05 (1.10)	.920	3.91 (1.27)	.785

Based on this analysis, the 10 item revised scale for legitimacy was used in all subsequent experiments and analysis.

Testing for Discrete Dependent Variables

As with Experiment 1, correlation analysis was conducted at each of the relevant time periods to test the association between reputation and legitimacy. For this experiment, the analysis was also done for each of the different legitimacy scales (Massey, Elsbach, Combined, Revised). Pearson *r* remained between .431 - .690 and was significant across the different scales and different time periods, thus confirming that reputation and legitimacy are strongly related yet discreet as per the theoretical discussion in Chapter 2.

Table 23: Correlation analysis of reputation and legitimacy across time

Time	Reputation *M* (SD)	Legitimacy (Revised) *M* (SD)	Pearson *r*
Time 1	4.73 (.85)	4.72 (.89)	.572**
Time 2	4.09 (.89)	4.01 (.94)	.592**
Time 3	4.22 (1.02)	4.05 (1.07)	.690**

** Correlation is significant at the 0.01 level (2-tailed)

Hypothesis Testing

As with Experiment 1, there are two parts of the overall model being tested in Experiment 2.

The first part tests the propositions around how different responses in the different crisis clusters of victim and preventable influence stakeholder perceptions of organisational reputation and legitimacy.

Relevant Hypotheses

> *Hypothesis 1.1*
>
> *A matched crisis response will maintain the level of stakeholder perceptions of organisational reputation and legitimacy recorded immediately following the crisis event.*
>
> *Hypothesis 1.2*
>
> *A mismatched crisis response will not maintain the level of stakeholder perceptions of organisational reputation and legitimacy recorded immediately following the crisis event.*

For the victim crisis cluster, the matched response is from the deny category and for the preventable crisis cluster, the matched response is from the deal category. All other combinations are mismatches.

A series of statistical tests were undertaken to test the hypotheses. A repeated measures MANOVA was undertaken incorporating both dependent variables (reputation and legitimacy) across all time periods. This was followed by a MANOVA using change scores for the two dependent variables. As outlined earlier, the change score was computed and represented the change in dependent variable over specific time periods. Repeated measures ANOVA tests were then run separately for each of the two dependent variables and the proposed mediator variable of responsibility. A second series of ANOVA tests was undertaken using a change score for each dependent variable and the mediator. In addition, a MANCOVA test was run to assess responsibility as a mediator. These tests are described further in the relevant sections. Unless indicated elsewhere, significance levels were set at $p<.05$ within the different tests. Where no change in a particular dependent variable was hypothesised, the absolute level of change in the variable has been examined and reported as well as the specific levels of significance which are expected to be well outside the null hypothesis testing level of $p<.05$.

To assess whether stakeholder perceptions of organisational reputation and legitimacy were being maintained at the level following the crisis event, a repeated measures test was run across time periods. The dependent variables were measured at time 1 (only company information), time 2 (crisis event) and time 3 (organisational response). The measurement at time 1 gives a baseline measure of reputation and legitimacy and should not show any significant differences between the subject groups as all participants have received the same information. Any change from the baseline in these variables at time 2 should be related to the crisis event so there should be significant difference between the clusters but within a cluster, there should not be any significant differences between the subject groups as all information is similar across these groups. The ability of the response strategy to maintain the levels of reputation and legitimacy requires measurement of these variables at time 2 and time 3. Significant differences should be seen across the participant groups segmented by cluster and strategy at time 3 as different response strategies have been read by the groups.

Two types of analysis are done in Experiment 2: across crisis clusters and within each cluster. The results from this first analysis across the two clusters of victim and preventable allow a further comparison with the results from Experiment 1 which looked at the accident crisis cluster. This comparison will be discussed in Chapter 8.

To test the effect of the interaction of crisis cluster and response strategy on reputation and legitimacy prior to the consideration of the proposed mediator (responsibility), a repeated measures MANOVA was run incorporating both dependent variables. Using Pillai's Trace as the multivariate test statistic, time was shown to be having a significant effect on reputation and legitimacy (F (4,223)=35.053, ηp^2=.386, p<.05, observed power 1.000) across the participant group. Crisis cluster had a significant main effect (F (2,225)=3.701, ηp^2=.032, p<.05, observed power .675), however, response strategy did not show a significant main effect (F (4,452)=.951, ηp^2=.008, n.s., observed power .302). The two-way interaction of crisis cluster and response strategy as hypothesised was not significant (F (4,452)=.864, ηp^2=.008, n.s., observed power .276), nor was the three-way interaction across time (F (8,448)=.630, ηp^2=.011, n.s., observed power .294).

As with Experiment 1, a further check was undertaken focusing on the period from time 2 to time 3. This check used computed variables for the difference in means for reputation and legitimacy from time 2 to time 3. The results of the one way MANOVA for this specific time period showed that strategy was having a statistically significant main effect on the changes in reputation and legitimacy ($F(4,452)=4.462$, $\eta p^2=.038$, $p<.05$, observed power .939). Crisis cluster, however, was not having a statistically significant main effect ($F(2,225)=.545$, $\eta p^2=.005$, n.s., observed power .140). Nor was there a significant interaction effect of crisis cluster and response strategy on the changes in reputation and legitimacy over this time period ($F(4,452)=1.169$, $\eta p^2=.010$, n.s., observed power .368).

The effects of the independent variables on the two dependent variables were then examined separately through post hoc analysis using Tukey's HSD test. Each crisis cluster is reported separately to demonstrate any key differences.

Reputation

The full model analysis suggested a significant difference between the two crisis clusters used in Experiment 2 ($F(1,226)=7.201$, $\eta p^2=.031$, $p<.05$, observed power .762). There was also a significant difference among these clusters over time ($F(1,226)=4.572$, $\eta p^2=.02$, $p<.05$, observed power .726). Looking at the individual time periods in Table 24, there was no significant difference at time 1 as expected because the crisis cluster was not introduced until time 2. At time 2, the clusters are significantly different and they remain significantly different at time 3 when the crisis response strategy is being assessed. The individual crisis clusters were then examined to identify the influence of particular strategies within each crisis cluster.

Table 24: Differences in reputation scores for each crisis cluster over time

Time	**Victim *M*(SD)**	**Preventable *M*(SD)**	***M*diff (SE)**
1	4.751 (.081)	4.704 (.077)	.047 (.112)
2	4.251 (.084)	3.941 (.080)	.310 (.116)*
3	4.421 (.095)	4.057 (.091)	.364 (.132)*

*p<.05

Victim Crisis Cluster

Within the victim crisis cluster, the full model analysis showed time was having a significant effect on reputation ($F(2,225)=13.669$, $\eta p^2=.108$, $p<.05$, observed power .998). Looking at the different time periods, reputation declined across the victim category from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of reputation (M_{time1} 4.75, *SD* .80, M_{time2} 4.25, *SD* .83, *MDiff* -.500, SE .096, $p<.05$). There was no significant difference in reputation scores across the three strategy groups at time 1 ($F(2,226)=.983$, $\eta p^2=.009$, n.s., observed power .220) or time 2 ($F(2,226)=1.866$, $\eta p^2=.016$, n.s., observed power .386) as predicted. However, there was also no significant difference present at time 3 across the victim crisis cluster ($F(2,226)=2.40$, $\eta p^2=.021$, n.s., observed power .482) which does not support a main effect for strategy on reputation. While not showing significant differences at time 3, the deal strategy resulted in the highest score for reputation (M=4.68, SD 1.07), followed by the diminish strategy (M=4.41, SD .83) with the deny strategy providing the lowest score for reputation (M=4.16, SD.87). This suggests the most accommodative strategy of dealing with responsibility could provide the best reputation score, however, it doesn't take into account the movement in reputation from the point of crisis at time 2. The strategy most recommended for this category (deny) provided the lowest score which suggests the denial was not believed, making it inappropriate for this type of crisis cluster. While not significant, the largest difference between the strategies was deny to deal (M_{deny}=4.16, SD.879, M_{deal}=4.68, SD1.07, MDiff=-.520, SE.237, n.s.) which represent the ends of the response continuum (deny, diminish, deal).

While the different strategies were not showing a significant effect overall at a point in time, the individual strategies were examined to see if the movement in reputational means across the different strategy types from time 2 to time 3 showed the ability of each strategy to maintain reputation or not. The omnibus ANOVA test using the difference in reputational means from time 2 to time 3 showed that strategy was having a significant main effect on the shift in reputation in the victim cluster ($F(2,226)=3.773$, $\eta p^2=.032$, $p<.05$, observed power .684). Having established this significance, each strategy can be examined to establish whether its effect was as predicted.

Post hoc analysis from the repeated measures ANOVA using Tukey's HSD test allowed the assessment of each strategy as presented in Figure 16. The match strategy of denying responsibility for the crisis cluster of victim was predicted to maintain reputation. This was supported with a miniscule movement in mean of .01 from time 2 to time 3 and a significance test showing p=1.000 which was well outside the p<.05 used for the hypothesis testing (M_{time2}=4.15, *SD* .72; M_{time3}=4.16, *SD*.87, *Mdiff* = 0.01, SE.17, n.s.) The other two strategies are hypothesised to not maintain reputation, that is, reputation scores should increase from time 2 to time 3 representing an improvement in stakeholder perceptions of reputation or decrease from time 2 to time 3 representing a degradation in such perceptions.

The mismatched strategy of diminishing responsibility for a victim crisis cluster is seen as a step up response under the SCCT model and therefore should have a positive impact on reputation scores from time 2 to time 3. The results show no movement in reputational mean ($M_{time\ 2}$ =4.47, *SD*.81, $M_{time\ 3}$ = 4.41, *SD*.83, *Mdiff*=-.058, SE.166, n.s.) so the company providing an explanation that they didn't intend the incident to happen did not provide additional benefits in terms of an improvement in reputation scores. The final strategy, dealing with responsibility, another mismatched response, did see a statistically significant movement in reputation scores in support of the initial hypothesis of match vs mismatched responses. ($M_{time\ 2}$ =4.12, *SD*.92, $M_{time\ 3}$ = 4.68, *SD1.07*, *Mdiff*=.559, SE.177, p<.05). The participants rewarded the company for providing benefits to victims. While this may have had reputational benefits, it may bring other costs to the company and would need to be considered against the other two strategies which at least held reputation with no further damage suffered. The participants rewarded the company for doing well more than was needed so there was an improvement in judgments on reputation, however, the strategy saw the company offering compensation to people involved in a crisis event where the company itself was a victim.

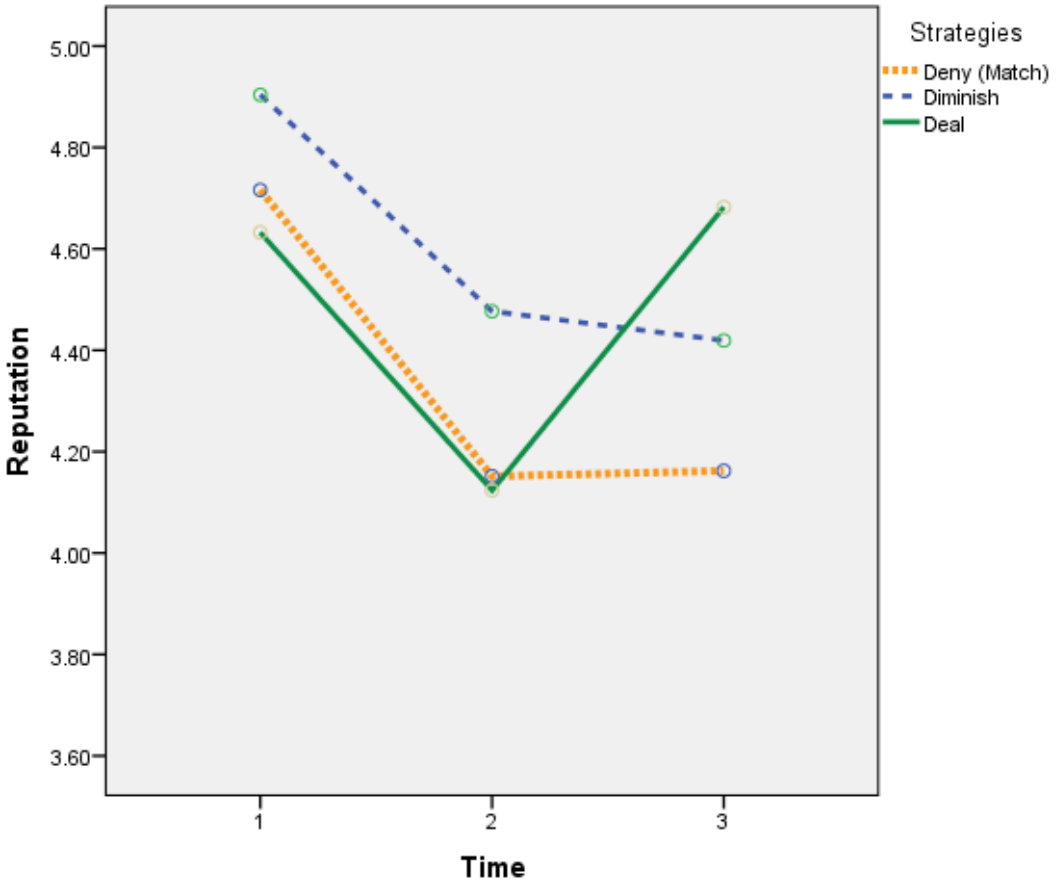

Figure 16: Impact of different strategies on reputation over time in a victim crisis cluster

Preventable Crisis Cluster

Within the preventable crisis cluster, the full model analysis showed time had a significant effect on reputation ($F(2,225)=37.582$, $\eta p^2=.250$, $p<.05$, observed power 1.000). Looking at the different time periods (see Figure 17), reputation declined across the preventable category from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of reputation (M_{time1} 4.70, *SD* .07, M_{time2} 3.94, *SD* .08, *MDiff* -.763, SE .091, $p<.05$). There was no significant difference in reputation scores across the three strategy groups at time 1 ($F(2,226)=.458$, $\eta p^2=.004$, n.s., observed power .124) or time 2 ($F(2,226)=.497$, $\eta p^2=.004$, n.s., observed power .131) as predicted. However, there was also no significant difference present at time 3 across the preventable crisis cluster ($F(2,226)=2.215$, $\eta p^2=.019$, n.s., observed power .449) which does not support a main effect for

strategy on reputation. At time 3 on non-significant trend data, the deal strategy resulted in the highest score for reputation (*M*=4.24, SD1.06), followed by the diminish strategy (*M*=4.13, SD1.01) and the deny strategy providing the lowest score for reputation (*M*=3.79, SD1.09). While not significant, the largest difference between the strategies was deal to deny (M_{deal}=4.24, SD1.06, M_{deny}=3.79, SD1.09, MDiff=-.447, SE.224, n.s.), again representing the two ends of the response continuum. As with the victim crisis cluster, this suggests the most accommodative strategy of dealing with responsibility could provide the best reputation outcome in terms of stakeholder perceptions, however, it doesn't take into account the movement in reputation scores from the point of crisis at time 2.

While the different strategies were not showing a significant effect overall at a point in time, individual strategies were examined to see if the movement in reputational means across the different strategy types from time 2 to time 3 showed the ability of each strategy to maintain reputation. The omnibus ANOVA test using the difference in reputational means from time 2 to time 3 showed that strategy was having a significant main effect on the shift in reputation in the preventable cluster ($F(2,226)=4.128$, $\eta p^2=.035$, $p<.05$, observed power .726). Having established this significance, post hoc analysis from the repeated measures ANOVA using Tukey's HSD test allowed the assessment of each strategy. The match strategy of dealing with responsibility for the crisis cluster of preventable was predicted to maintain reputation which was supported with a non-significant result for a shift in mean from time 2 to time 3(M_{time2}=3.87, *SD* 1.13; M_{time3}=4.24, *SD*=1.06, *Mdiff* = .363, SE=.168, n.s.) The change in mean score was slightly larger than expected at .363 and the significance test showed p=.09 which was not as strongly non-significant as some of the other results to date. The slightly higher mean was recorded at time 3 so no negative effect was attributed to the organisation by running this strategy. The other two strategies are hypothesised to not maintain reputation, that is, reputation scores should increase or decrease from time 2 to time 3.

The mismatched strategy of diminishing responsibility for a preventable crisis cluster is a step down response from the recommended matched response under the SCCT model and therefore should see a degradation in reputation scores over the time period. The results show no significant movement in reputational mean ($M_{time\ 2}$ =3.89, *SD*=.817, $M_{time\ 3}$ = 4.13, *SD*=1.01, *Mdiff*=.243, SE=.160, n.s.) so the

hypothesis was not supported. This raises an interesting outcome as the company appears to have ended up at the same position in terms of reputation scores with an excuse strategy which diminished responsibility to that of when it provided compensation with the higher strategy. Denying responsibility, another mismatched response, saw a slight decrease in reputation scores, however, the shift was not statistically significant ($M_{time\ 2}$ =4.05, *SD*=.837, $M_{time\ 3}$ = 3.79, *SD*=1.09, *Mdiff*=-.257, SE=.160, n.s.). So while the trend was correct, the effect was not sufficient and thereby the initial hypothesis of match vs mismatched responses was not supported. This may suggest that some of the participants in this category believed the denial and therefore did not punish the company any further.

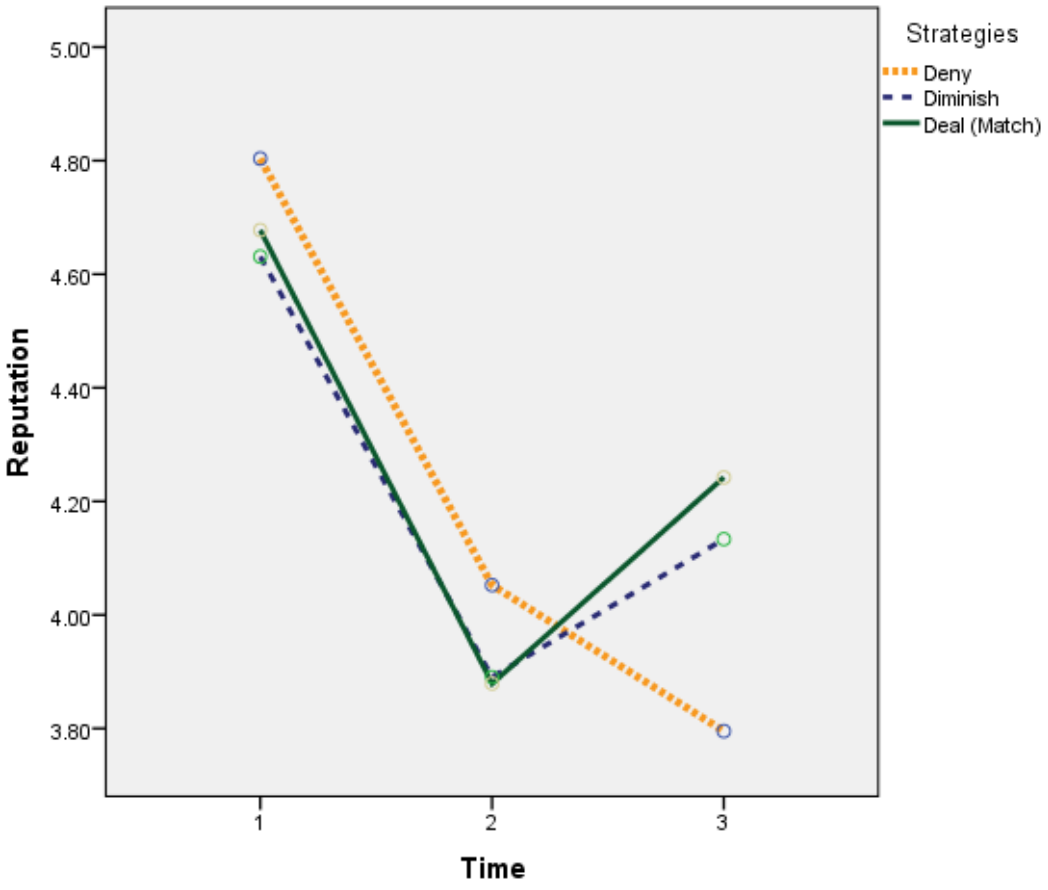

Figure 17: Impact of different strategies on reputation over time in a preventable crisis cluster

Regardless of cluster type, the most accommodative strategy response – deal - resulted in the highest reputational score compared with the other strategies. For the preventable category, this was the match strategy and therefore was expected to maintain reputation and for the victim category, this was two steps up the response

chain and therefore brought benefits for the organisation in reputation terms, however, other liability issues may arise from this strategy. Given that the next category down, diminish, maintained reputation scores in both crisis clusters without taking on the additional burden of responsibility associated with the higher deal level, the benefits of the higher strategy may not outweigh the risks.

The matched response in both categories performed as hypothesised and maintained reputation. For the victim category, the two step up strategy of dealing with responsibility through compassion gave the highest reputation score and in the preventable category, the two step down strategy of denying responsibility gave the worst outcome in absolute measures of reputation. In the first instance, this benefit came from doing more than was expected and in the latter, the penalty to reputation came from doing less than was expected. Across both types, the comparison of reputation means for strategies of deny with deal represented the largest differentials across the various combinations (deny:diminish; deny;deal; diminish:deal).

As a final test on the influence of strategy on reputation, Experiment 2 included a direct question to participants on this influence. The participants agreed that the company response did influence their perception of reputation (M=5.09, SD1.4 where 4.0=agree), thereby the effect size within the model may be limiting the ability to see significance among strategy options.

Legitimacy

As with reputation, the full model analysis of legitimacy suggested a significant difference between the two crisis clusters used in Experiment 2 ($F(1,227)=5.179$, $\eta p^2=.022$, $p<.05$, observed power .646). There was also a significant difference among these clusters over time ($F(2,226)=3.174$, $\eta p^2=.027$, $p<.05$, observed power .726). Looking at the individual time periods, there was no significant difference at time 1 as expected because the crisis cluster was not introduced until time 2. At time 2, the clusters are significantly different and they remain significantly different at time 3 when the crisis response strategy is being assessed (see Table 25). The individual crisis clusters were then examined to identify the influence of particular strategies within each cluster.

Table 25: Differences in legitimacy scores for each crisis cluster over time

Time	**Victim *M*(SD)**	**Preventable *M*(SD)**	**Mdiff (SE)**
1	4.74 (.08)	4.71(.08)	.032 (.118)
2	4.20 (.08)	3.84 (.08)	.361 (.120)*
3	4.19 (.09)	3.90 (.09)	.292 (.132)*

* p<.05

Victim Crisis Cluster

Within the victim crisis cluster, the full model analysis showed time was having a significant effect on legitimacy ($F(2,226)=17.850$, $\eta p^2=.136$, $p<.05$, observed power 1.000). Looking at the different time periods, legitimacy declined across the victim category from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of legitimacy (M_{time1} 4.74, *SD* .08, M_{time2} 4.20, *SD* .08, *MDiff* -.542, SE .094, $p<.05$). There was no significant difference in legitimacy scores across the three strategy groups at time 1 ($F(2,227)=2.272$, $\eta p^2=.020$, n.s., observed power .459) or time 2 ($F(2,227)=1.969$, $\eta p^2=.017$, n.s., observed power .405) as predicted. However, there was also no significant difference present at time 3 across the victim crisis cluster ($F(2,227)=1.739$, $\eta p^2=.015$, n.s., observed power .363) which does not support a main effect for strategy on legitimacy. At time 3 on the non-significant trend data, the diminish strategy resulted in the highest score for legitimacy (*M*=4.43, SD .90), followed by the deal strategy (*M*=4.15, SD 1.05) and the deny strategy providing the lowest score for legitimacy (*M*=4.01, SD1.16). While no significant differences were found, the trend data suggests that the first step up strategy of diminish provided the best outcome rather than doing the two step up strategy of dealing with the crisis through compensation. Siomkos and Kurzband (1994) have suggested that doing more than is needed such as moving two steps up the response chain may be seen by participants as the company hiding something so a negative effect is attached. However, this analysis doesn't take into account the movement in legitimacy from the point of crisis at time 2. It also suggests the strategy most recommended for this category (deny) was not judged to be appropriate as it provided the lowest score. While not significant, the largest difference between the strategies was deny to diminish (M_{deny}=4.01, SD1.16,

$M_{diminish}$=4.43, SD.90, MDiff=-.419, SE.230, n.s.), rather than deny to deal which represent the ends of the response spectrum.

While the different strategies were not showing a significant effect overall at a point in time, the individual strategies were examined to see if the movement in legitimacy means across the different strategy types from time 2 to time 3 showed the ability of each strategy to maintain legitimacy or not. The omnibus ANOVA test using the difference in legitimacy means from time 2 to time 3 showed that strategy was not having a significant main effect on the shift in legitimacy scores in the victim cluster (F(2,226)=.989, ηp^2=.009, n.s., observed power .221). As this was the first time these relationships had been assessed in the victim category, each strategy was still examined.

Post hoc analysis from the repeated measures ANOVA using Tukey's HSD test allowed the assessment of each strategy. As demonstrated in Figure 18, the match strategy of denying responsibility for the crisis cluster of victim was predicted to maintain legitimacy which was supported with a very small decline in the absolute legitimacy scores from time 2 to time 3 at a significance level of p=.657(M_{time2}=4.14, *SD* .97; M_{time3}=4.01, *SD*.87, *Mdiff* = -0.13, SE.12, n.s.) The other two strategies are hypothesised to not maintain legitimacy, that is, legitimacy scores should increase or decrease from time 2 to time 3.

The mismatched strategy of diminishing responsibility for a victim crisis cluster is seen as a step up response under the SCCT model and, therefore, should have a positive impact on legitimacy scores. The results show no movement in legitimacy mean ($M_{time\ 2}$ =4.43, *SD*.80, $M_{time\ 3}$ = 4.43, *SD*.90, *Mdiff*=.00, SE.123, n.s.).which suggests there was no benefit of undertaking the step up albeit mismatched strategy. The final strategy, dealing with responsibility, another mismatched response, also did not see a statistically significant movement in legitimacy so did not support the initial hypothesis of match vs mismatched responses ($M_{time\ 2}$ =4.02, *SD*.82, $M_{time\ 3}$ = 4.15, *SD*1.05, *Mdiff*=.126, SE.133, n.s.). The organisation was not penalised for undertaking more than was required, however, there were no significant benefits in doing this either.

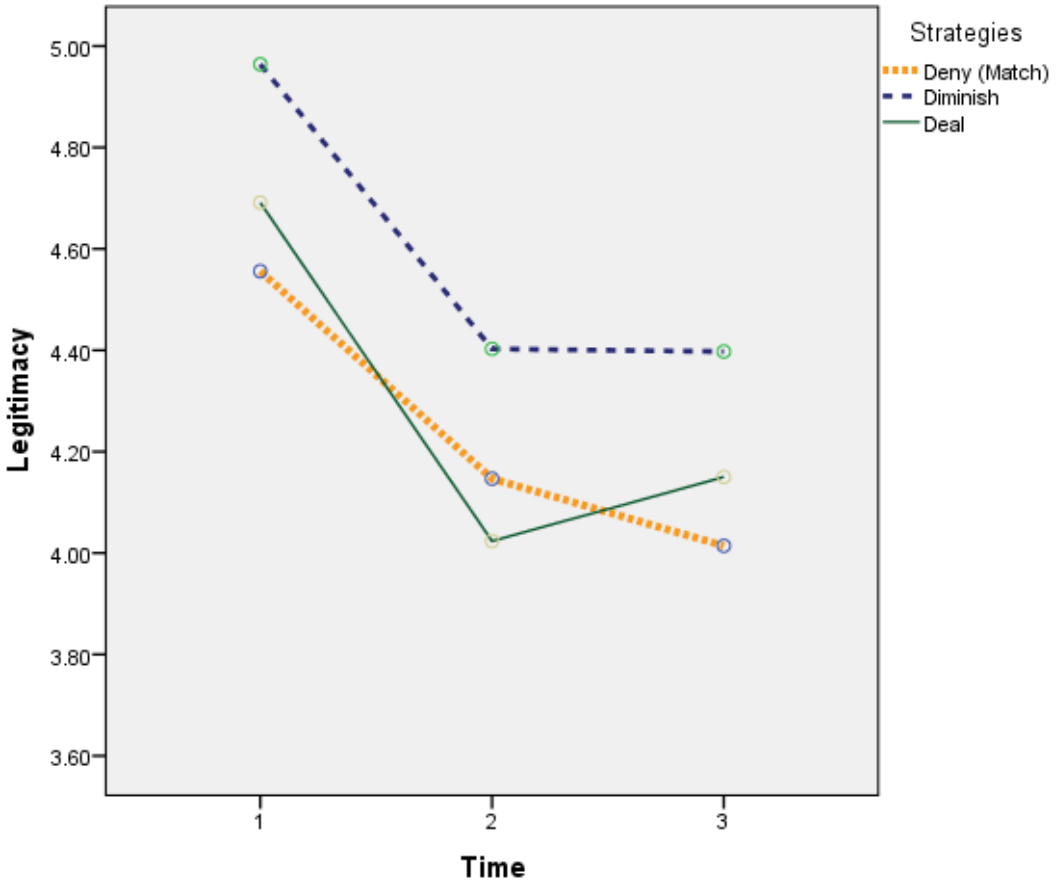

Figure 18: Impact of different strategies on legitimacy over time in a victim crisis cluster

Preventable Crisis Cluster

Within the preventable crisis cluster, the full model analysis showed time was having a significant effect on legitimacy ($F(2,226)=48.384$, $\eta p^2=.300$, $p<.05$, observed power 1.000). Looking at the different time periods, legitimacy scores declined across the preventable category from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of legitimacy (M_{time1} 4.71, *SD* .08, M_{time2} 3.84, *SD* .08, *MDiff* -.871, SE .090, $p<.05$). There was no significant difference in legitimacy scores across the three strategy groups at time 1 ($F(2,227)=.036$, $\eta p^2=.000$, n.s., observed power .055) or time 2 ($F(2,227)=2.585$, $\eta p^2=.022$, n.s., observed power .512) as predicted. However, there was also no significant difference present at time 3 across the preventable crisis cluster ($F(2,227)=.251$, $\eta p^2=.002$, n.s., observed power .089) which does not support a main effect for strategy on legitimacy. At time 3, the diminish strategy resulted in the highest score for legitimacy ($M=3.99$, SD.93), followed by the deal strategy ($M=3.88$, SD.95) and

the deny strategy providing the lowest score for legitimacy (M=3.84, SD1.03). While not significant, the largest difference between the strategies was deny to diminish (M_{deny}=3.84, SD1.03, $M_{diminish}$3.99, SD.93, MDiff=-.152, SE.220, n.s.). This was similar to the victim crisis cluster. In both categories, the deny strategy resulted in the lowest score for legitimacy.

While the different strategies did not show a significant effect overall at a point in time, individual strategies were examined to see if the movement in legitimacy means across the different strategy types from time 2 to time 3 showed the ability of each strategy to maintain legitimacy or not. The omnibus ANOVA test using the difference in legitimacy means from time 2 to time 3 showed that strategy was having a significant main effect on the shift in legitimacy in the preventable cluster (F(2,226)=5.902, ηp^2=.049, p<.05, observed power .873).

Post hoc analysis from the repeated measures ANOVA using Tukey's HSD test allowed the assessment of each strategy. These results are demonstrated in Figure 19. The match strategy of dealing with responsibility for the crisis cluster of preventable was predicted to maintain legitimacy which was supported with a very small increase of 0.179 in the absolute measures of legitimacy from time 2 to time 3 at a significance level of p=.399.(M_{time2}=3.70, SD 1.02; M_{time3}=3.88, SD=.95, $Mdiff$ = .179, SE=.126, n.s.). The other two strategies are hypothesised to not maintain legitimacy, that is, legitimacy scores should increase or decrease.

The mismatched strategy of diminishing responsibility for a preventable crisis cluster is seen as a less than required response under the SCCT model and, therefore, should result in a degradation in perceptions of legitimacy. The results show no statistically significant movement in legitimacy ($M_{time\ 2}$ =3.70, SD=.870, $M_{time\ 3}$ = 3.99, SD=.93, $Mdiff$=.286, SE=.120, n.s.). Denying responsibility, another mismatched response, saw a slight decrease in legitimacy scores, however, the shift was not statistically significant ($M_{time\ 2}$ =4.10, SD=.97, $M_{time\ 3}$ = 3.84, SD=1.03, $Mdiff$=-.264, SE=.120, n.s.). So while the trend was correct, the effect was not sufficient and thereby the initial hypothesis of match vs mismatched responses was not supported.

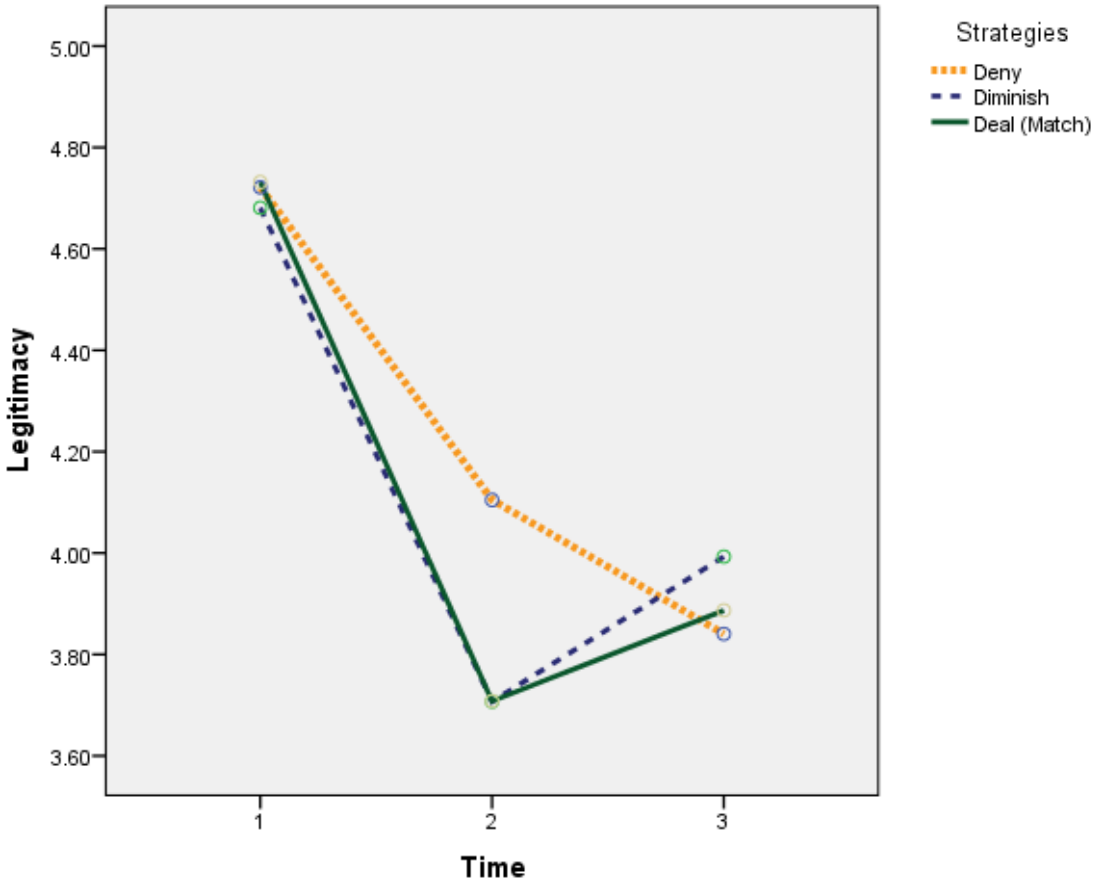

Figure 19: Impact of different strategies on legitimacy over time in a preventable crisis cluster

Regardless of cluster type and unlike the outcome for reputation, the diminish strategy response resulted in the highest legitimacy score at time 3 compared with the other strategies although this result needs to be assessed cautiously given the lack of significance among the strategy scores. For the preventable category, this strategy was one step down from the match strategy of deal and for the victim category, this was one step up the response chain from the match strategy of deny so was expected to bring some benefits to the organisation. Of interest is the lack of additional benefits brought by the highest response category of dealing with responsibility, although this can only be assessed on trend as the results between the strategies was not significant. This will be tested further in the final experiment. Further clarification will also be sought in Experiment 3 which will test the various sub strategies contained within the overall deal strategy category. This experiment only tested compassion which may not be seen as fully dealing with responsibility and,

therefore, may not be providing a statistically significant difference to the diminish strategies.

The matched response in both categories performed as hypothesised and maintained legitimacy scores across time 2 and time 3. For the victim category, the two step up strategy of dealing with responsibility through compassion did not hurt the organisation in that legitimacy scores were not reduced, however, it gave no greater benefit than that of the next closest strategy of diminish. In the preventable category, the two step down strategy of denying responsibility gave the worst outcome in absolute measures of legitimacy, suggesting some level of penalty to legitimacy for doing less than was expected. Across both types, the comparison of means on strategies of deny with diminish represented the largest differentials across the various combinations (deny:diminish; deny;deal; diminish:deal) which was different than those associated with reputation.

As a final test on the influence of strategy on legitimacy, Experiment 2 included a direct question to participants on this influence. The participants agreed that the company response did influence their perception of legitimacy (*M*=4.81, SD1.39 where 4.0=agree), thereby the effect size within the model may be limiting the ability to see significance among strategy types. The influence on reputation was judged as slightly higher by the participants (*M*=5.09, SD1.40 where 4.0=agree).

Responsibility

The second part of the overall model being tested in Experiment 2 involves the potential mediator of responsibility.

This part tests propositions around how different responses in the victim and preventable crisis clusters influence stakeholder perceptions of organisational reputation and legitimacy through responsibility. Thus if the response strategy changes the level of responsibility that was assigned to the organisation at the time of the crisis, there should be a subsequent change to its reputation and legitimacy scores.

Relevant Hypotheses

Research Question 2

> *How does responsibility mediate the influence of response strategies used during crises from different clusters on stakeholder perceptions of organisational reputation and legitimacy?*
>
> *Hypothesis 2.1*
>
> *A matched crisis response will maintain the level of stakeholder perceptions of organisational responsibility and will subsequently maintain the level of stakeholder perceptions of reputation and legitimacy recorded immediately following the crisis event.*
>
> *Hypothesis 2.2*
>
> *A mismatched crisis response will not maintain the level of stakeholder perceptions of organisational responsibility and will subsequently not maintain the level of stakeholder perceptions of reputation and legitimacy recorded immediately following the crisis event.*

A number of tests were run to consider the role of responsibility. To assess whether stakeholder perceptions of crisis responsibility were being maintained or changed by the strategy within each crisis cluster, a repeated measures ANOVA was run across time periods. Responsibility was measured at time 2 (crisis event) and time 3 (organisational response). The measurement at time 2 gives a baseline measure of attributed responsibility based on the crisis event and should show significant differences between subject groups based on the crisis cluster (victim vs preventable). The ability of the response strategy to maintain responsibility requires measurement of this variable at time 2 and time 3. Significant differences should be seen across the participant groups at time 3 based on the different crisis cluster and then within each cluster, the difference should be based on the different response strategies read by the groups.

For the first test, the full model analysis using Pillai's Trace suggested a significant difference between the two crisis clusters used in Experiment 2 ($F(1,226)=29.728$, $\eta p^2=.116$, $p<.05$, observed power 1.000). At time 2, the clusters are significantly

different as predicted and they remain significantly different at time 3 when the crisis response strategy is being assessed (see Table 26).

Table 26: Differences in responsibility scores for each crisis cluster over time

Time	**Victim *M*(SD)**	**Preventable *M*(SD)**	**Mdiff (SE)**
2	3.58 (1.19)	4.53 (1.36)	.953 (.171)*
3	3.56 (1.17)	4.23 (1.28)	.670 (.163)*

* $p<.05$

The impact of the crisis cluster on responsibility is stronger at time 2 when the event occurs ($F(1,227)=31.280$, $\eta p^2=.121$, $p<.05$, observed power 1.000) than at time 3 when the strategy is introduced ($F(1,226)=16.864$, $\eta p^2=.069$, $p<.05$, observed power .983).

Looking then just at time 3 when the strategy is in place, strategy is not having a significant effect on responsibility ($F(2,226)=.674$, $\eta p^2=.006$, n.s., observed power .163), nor is the interaction of strategy and cluster ($F(2,226)=.111$, $\eta p^2=.001$, n.s., observed power .067). Cluster is the only significant independent variable at this time ($F(1,226)=16.864$, $\eta p^2=.069$, $p<.05$, observed power .983).

Assessing whether the introduction of the strategy has influenced any change in responsibility is also important given the influence of responsibility on reputation and legitimacy. To test this, the effect of strategy on the mean difference in responsibility from time 2 to time 3 was assessed. A one way ANOVA showed no significant main effect for strategy on the change in responsibility ($F(2,226)=.357$, $\eta p^2=.003$, n.s., observed power .107), nor cluster ($F(1,226)=3.429$, $\eta p^2=.015$, n.s., observed power .454), nor an interaction of strategy and cluster ($F(2,226)=.014$, $\eta p^2=.000$, n.s., observed power .052).

Based on this initial analysis showing an effect for cluster on responsibility but not for strategy, a MANCOVA test for the mediation effect of responsibility on the direct relationship between the independent variables of cluster and strategy on reputation and legitimacy were undertaken. This test used the measured variables for responsibility, reputation and legitimacy at time 3 and is reported in Table 27.

As outlined in this table, the introduction of responsibility at time 3 as a covariate changes the significant relationship between cluster and reputation and legitimacy to a non-significant relationship, reducing the effect size to close to nil. Thus, this test is suggesting full mediation for cluster through responsibility which is expected given the importance of judgments on responsibility to the theoretical design of the crisis clusters. This result is consistent in the univariate analysis with each of the separate dependent variables of reputation and legitimacy.

There are no substantial changes for the independent variable of strategy or the two-way interaction of cluster and strategy which supports the initial analysis which did not find a significant effect for the independent variable of strategy on responsibility as a dependent variable. Once again, the univariate analysis showed a consistent result on reputation and legitimacy.

Table 27: Results of MANOVA/MANCOVA using responsibility at time 3 as covariate

Variable	**df**	***F***	**Effect ηp^2**	**Observed Power**
Cluster	1,226	7.676*	.033	.788
Cluster (with responsibility as co-variate)	1,225	.272	.001	.081
Responsibility (Time 3)	1,225	105.995*	.320	1.000
Strategy	2,226	4.516*	.038	.766
Strategy (with responsibility as co-variate)	2,225	5.087*	.043	.817
Cluster * strategy	2,226	.144	.001	.067
Cluster *strategy (with responsibility as co-variate)	2,225	.296	.003	.097

*p<.05; Dependent variables: reputation and legitimacy at time 3

As this was the first test of cluster and strategy together in this series of experiments, post hoc analysis was used to examine the potential influence of individual strategies on the movement in responsibility from time 2 to time 3 within each individual crisis

cluster. Significant results were not expected given the interaction effect had not been found, however, trend data was examined to inform the remaining experiments.

Victim Crisis Cluster

Within the victim crisis cluster, there was no significant difference in responsibility scores across the three strategy groups at time 2 ($F(2,226)=.026$, $\eta p^2=.000$, n.s., observed power .054) as predicted as there is no information on the response at this time period. However, there was also no significant difference in responsibility scores at time 3 ($F(2,226)=.231$, $\eta p^2=.002$, n.s., observed power .086) which does not support a main effect for strategy on responsibility in this cluster.

At time 3, the matched deny strategy resulted in the highest score for responsibility (M=3.63, SD1.30) although this was still under the agree point on the Likert score (M=4.0). This means that the strategy did work in denying responsibility as the participants disagreed with the company being responsible. The first step up strategy of diminish responsibility had the lowest score for responsibility (M=3.45, SD.90) and therefore was well received by the participants in terms of not assigning responsibility to the organisation. The two step up strategy of dealing with responsibility saw a higher mean (M=3.60, SD 1.30) which suggests that by providing compensation for victims, the company was judged to be more responsible than when it used the strategy of diminish, however, the responsibility mean also remained under the point of agreement on the scale so the company was still being judged overall as not responsible. This is likely due to the underlying effect of the cluster (victim) which resulted in lower responsibility scores overall than the other cluster (preventable) (see Table 26).

While not significant, the largest difference between the strategies on responsibility scores at time 3 was deny to diminish (M_{deny}=3.63, SD1.30 $M_{diminish}$=3.45, SD.90, MDiff=.178, SE.284, n.s.).

While the different strategies were not showing a significant effect overall at time 3, the individual strategies were examined to see if the movement in responsibility means across the different strategy types from time 2 to time 3 showed the ability of each strategy to maintain responsibility or not. The one way ANOVA using the mean difference in responsibility as the dependent variable showed no significant

influence of strategy in the victim category ($F(2,226)=.114$, $\eta p^2=.001$, n.s., observed power .067).

As a final check, each strategy was assessed. The matched strategy of denying responsibility was hypothesised to maintain responsibility which was supported with next to no movement in the absolute measures of the mean for responsibility from time 2 to time 3 at a significance level of p=.888 ($M_{time\ 2}$ =3.60, *SD*=1.37, $M_{time\ 3}$ = 3.63, *SD*=1.30, *Mdiff*=.027, SE=.191, n.s.) as shown in Figure 20. The mismatched strategies were hypothesised to not maintain responsibility. The mismatched diminish strategy saw no significant difference ($M_{time\ 2}$ =3.54, *SD*=.96, $M_{time\ 3}$ = 3.45, *SD*=.90, *Mdiff*=-.094, SE=.186, n.s.), thereby not supporting the hypothesis. The mismatched deal strategy also saw no movement in responsibility thereby not supporting the hypothesis ($M_{time\ 2}$ =3.60, *SD*=1.26, $M_{time\ 3}$ = 3.60, *SD*=1.30, *Mdiff*=.00, SE=.199, n.s.).

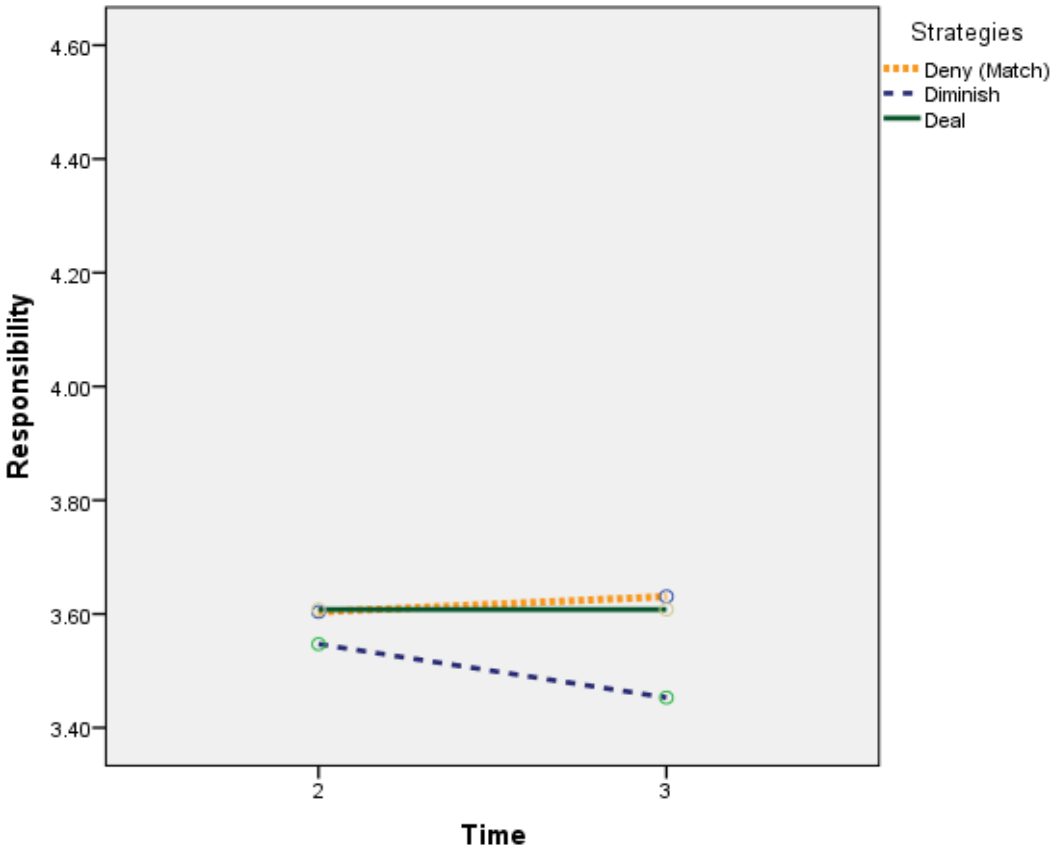

Figure 20: Impact of different strategies on responsibility over time in a victim crisis cluster

The final analysis within the victim cluster brought together the impact of cluster and strategy on responsibility and the subsequent impact on reputation and legitimacy building on the earlier tests for mediation.

The matched response of deny is hypothesised to maintain stakeholder perceptions of crisis responsibility and maintain organisational reputation and legitimacy. As outlined above the deny strategy within the victim cluster led to no shift in the attribution of responsibility from time 2 to time 3. Reputation was maintained as was legitimacy from time 2 to time 3. Thus the hypothesis for the match response was supported.

The second hypothesis dealt with the mismatched crisis responses which were predicted to not maintain perceptions of responsibility, reputation and legitimacy. As there were no significant movements in responsibility across the mismatched strategies and almost no significant movements in reputation and legitimacy as shown in Table 28, there was no support for this hypothesis.

Table 28: Responsibility, reputation and legitimacy scores by response strategy in the victim cluster across time 2 and 3

Response Strategy	**Variable**	**Time 2 *M*(SD)**	**Time 3 *M*(SD)**	**Mdiff (SE)**
Deny	Responsibility	3.60 (1.37)	3.63 (1.30)	.027 (.191)
	Reputation	4.15 (.72)	4.16 (.87)	.011 (.17)
	Legitimacy	4.14 (.97)	4.01 (.87)	-.013 (.12)
Diminish	Responsibility	3.54 (.96)	3.45 (.90)	-.094 (.186)
	Reputation	4.47 (.81)	4.41 (.83)	-.058 (.166)
	Legitimacy	4.43 (.80)	4.43 (.90)	.00 (.123)
Deal	Responsibility	3.60 (1.26)	3.60 (1.30)	.00 (.199)
	Reputation	4.12 (.92)	4.68 (1.07)	.559 (.177)*
	Legitimacy	4.02 (.82)	4.15 (1.05)	.126 (.133)

*p<.05

Preventable Crisis Cluster

Within the preventable crisis cluster, there was no significant difference in responsibility scores across the three strategy groups at time 2 ($F(2,226)=.130$, $\eta p^2=.001$, n.s., observed power .070) as predicted as there is no information on the response at this time period. However, there was also no significant difference in responsibility scores at time 3 ($F(2,226)=.575$, $\eta p^2=.005$, n.s., observed power .145) which does not support a main effect for strategy on responsibility within the preventable category.

At time 3 on trend data, the mismatched deny strategy resulted in the highest measure for responsibility (M=4.39, SD1.30) which suggests that the deny strategy was not believed in this cluster of crisis event and the company was held responsible where the event was judged as preventable. The matched deal strategy had the next highest level of responsibility (M=4.18, SD1.08) and as this was higher than the base level of agree (M=4.0) suggests the participants recognised through the strategy the company was responsible. The final strategy of diminish was also higher than the base agreement level (M=4.11, SD1.42).

While not significant, the largest difference between the strategies was deny to diminish (M_{deny}=4.39, SD1.30 $M_{diminish}$=4.11, SD1.42, MDiff=.278, SE.270, n.s.)

The different strategies were not showing a significant effect overall at time 3, however, individual strategies were examined to see if the movement in responsibility means across the different strategy types from time 2 to time 3 showed the ability of each strategy to maintain responsibility or not. As a first check, a one way ANOVA using the mean difference in responsibility from time 2 to time 3 as the dependent variable was run. This showed no significant influence of strategy on the change in responsibility in the preventable category (($F(2,226)=.265$, $\eta p^2=.002$, n.s., observed power .092). As a final check, each strategy was assessed, looking at the changes in responsibility from time 2 to time 3. The matched strategy of dealing with responsibility was hypothesised to maintain responsibility. While there was a slight decline of 0.289 in responsibility scores as shown in Figure 21, the significance level for the change was p=.126 which was well outside the boundaries set for the hypothesis testing ($M_{time\ 2}$ =4.47, SD=1.21, $M_{time\ 3}$ = 4.18, SD=1.08, $Mdiff$=-.289, SE=.188, n.s.). Tthereby the hypothesis for no change was generally

supported. The mismatched strategy of diminish was hypothesised to not maintain responsibility which was also supported with a significant difference ($M_{time\ 2}$ =4.52, *SD*=1.48, $M_{time\ 3}$ = 4.11, *SD*=1.42, *Mdiff*=-.405, SE=.179, p<.05.). The participants believed the excuse provided by the company and therefore reduced their views on responsibility even though this is theoretically predicted to be an insufficient response for this crisis cluster. The mismatched deny strategy also saw a slight decline, however, no statistically significant movement was identified ($M_{time\ 2}$ =4.60, *SD*=1.40, $M_{time\ 3}$ = 4.39, *SD*=1.30, *Mdiff*=-.222, SE=.179, n.s.).

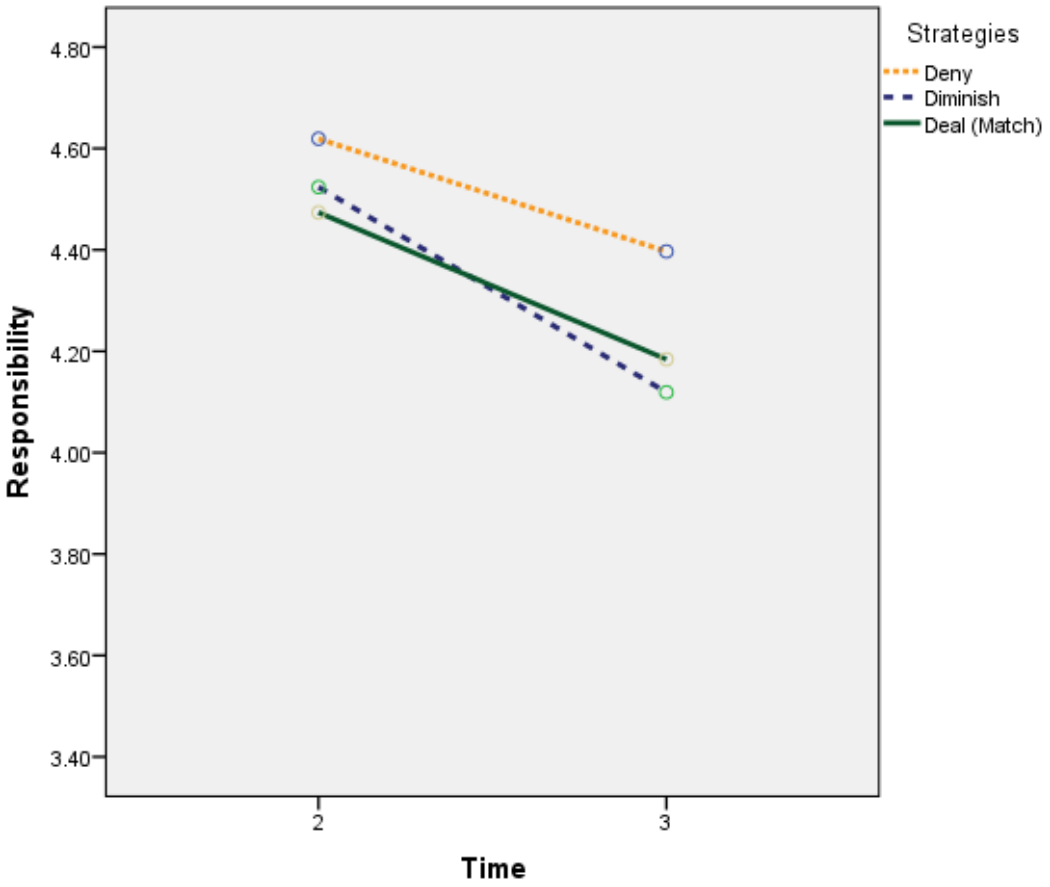

Figure 21: Impact of different strategies on responsibility over time in a preventable crisis cluster

As with the victim cluster, the final analysis brought together the impact of cluster and strategy on responsibility and the subsequent impact on reputation and legitimacy building on the earlier tests for mediation (see Table 29).

The matched response of deal is hypothesised to maintain stakeholder perceptions of crisis responsibility and maintain organisational reputation and legitimacy. As

outlined above the deal strategy within the preventable cluster led to no shift in the attribution of responsibility from time 2 to time 3 and reputation and legitimacy were maintained from time 2 to time 3 as hypothesised.

The diminish strategy within the preventable cluster led to a significant decrease in responsibility scores yet saw no shift in reputation or legitimacy. Therefore, the hypothesis was not supported. It may be that while the strategy worked to diminish responsibility, the effect size was too small to see a subsequent effect on reputation and legitimacy. This will be tested again in the final experiment.

The other mismatched strategy of deny saw a non-significant decline in responsibility and a subsequent non-significant decline in reputation and legitimacy which does not support the hypothesis on mediation.

Table 29: Responsibility, reputation and legitimacy scores by response strategy in the preventable cluster across time 2 and 3.

Response Strategy	**Variable**	**Time 2 *M*(SD)**	**Time 3 *M*(SD)**	**Mdiff (SE)**
Deal	Responsibility	4.47 (1.21)	4.18 (1.08)	-.289 (.188)
	Reputation	3.87 (1.13)	4.24 (1.06)	.363 (.168)
	Legitimacy	3.70 (1.02)	3.88 (.95)	.179 (.126)
Diminish	Responsibility	4.52 (1.48)	4.11 (1.42)	-.405 (.179)*
	Reputation	3.89 (.817)	4.13 (1.01)	.243 (.160)
	Legitimacy	3.70 (.870)	3.99 (.93)	.286 (.120)
Deny	Responsibility	4.60 (1.40)	4.39 (1.30)	-.222 (.179)
	Reputation	4.05 (.837)	3.79 (1.09)	-.257 (.160)
	Legitimacy	4.10 (.97)	3.84 (1.03)	-.264 (.120)

*p<.05

Combined Clusters

As the effects of strategy on responsibility were not significant within each of the clusters and therefore the mediator effect of responsibility difficult to establish, two

further analyses of the relationship between responsibility, reputation and legitimacy were undertaken.

Correlation analysis using means at time 2 and time 3 (see Table 30) and using the computed change in time variables (see Table 31) was undertaken. This analysis confirms the significant relationships between responsibility, reputation and legitimacy at all time periods. The predicted direction of the relationships is also confirmed with a decline in responsibility scores leading to an increase in reputation and legitimacy scores.

Table 30: Correlation analysis of responsibility, reputation and legitimacy at time 2 and 3

	Reputation Time 2 Pearson *r*	**Legitimacy Time 2 Pearson *r***	**Reputation Time 3 Pearson *r***	**Legitimacy Time 3 Pearson *r***
Responsibility Time 2	-.347**	-.459**		
Responsibility Time 3			-.581**	-.544**

**Correlation is significant at the 0.01 level (2-tailed)

Table 31: Correlation analysis using change variables across time 2-3 for responsibility, reputation and legitimacy

Time 2-3	**Change in Reputation Pearson *r***	**Change in Legitimacy Pearson *r***
Change in Responsibility	-.301**	-.366**

**Correlation is significant at the 0.01 level (2-tailed)

The final test involved responsibility at time 2 and time 3 being converted to a categorical variable with low, medium and high responsibility categories and this variable being used as an independent variable in a one way MANOVA with reputation and legitimacy at each time period as the dependent variables.

For time 2, the multivariate analysis using Pillai's Trace showed a significant relationship between the levels of responsibility and reputation and legitimacy scores

($F(4,460)=12.248$, $\eta p^2=.096$, $p<.05$, observed power 1.000). The univariate analysis showed a stronger effect size for legitimacy ($F(2,230)=24.217$, $\eta p^2=.174$, $p<.05$, observed power 1.000) than reputation ($F(2,230)=12.500$, $\eta p^2=.098$, $p<.05$, observed power .996).

At time 3, the multivariate analysis also showed a significant relationship with a stronger effect size than at time 2 ($F(4,458)=19.062$, $\eta p^2=.143$, $p<.05$, observed power 1.000). At time 3, when strategy is in place, the effect of the judgments of responsibility on reputation ($F(2,229)=40.381$, $\eta p^2=.261$, $p<.05$, observed power 1.000) and legitimacy ($F(2,229)=29.955$, $\eta p^2=.207$, $p<.05$, observed power 1.000) are more comparable but the effect size on reputation at time 3 is considerably larger than at time 2.

As with the tests for reputation and legitimacy, Experiment 2 included a direct question to participants on the influence of strategy on their perceptions of responsibility for the crisis event. The participants agreed that the company response did influence their perception of responsibility ($M=4.73$, SD1.54 where $M=4.0$ is agree), thereby the effect size within the model may be limiting the ability to see significance among strategy types.

Summary of Experiment 2 Results

Experiment 2 demonstrated the importance of analysing the crisis event in understanding the impact on an organisation's reputation and legitimacy, with crisis cluster showing a statistically significant effect on reputation and legitimacy over time. This effect is strongest when the crisis event occurs which was time 2 in this experiment and reduces once the strategy is introduced. The results in Experiment 2 demonstrate the different outcomes within the victim and preventable crisis clusters. When read in conjunction with Experiment 1, the effects within the three crisis clusters of the SCCT model have been demonstrated. Support was provided for the mediation effect of responsibility on the relationship between crisis cluster and reputation and legitimacy. Where crisis cluster led to judgments of higher levels of organisational responsibility for a crisis event, reputation and legitimacy scores were lower.

The direct impact of response strategy on changes in stakeholder perceptions of reputation and legitimacy was also demonstrated. Strategy was shown to have a

significant effect on changes in reputation scores following its introduction within both crisis clusters. Within the victim cluster, there was partial support for the research hypotheses. The matched strategy of denying responsibility maintained reputation from the time of the crisis event as predicted thereby supporting the hypothesis. No significant results were established for the mismatched strategies, however, trend data suggested the positive movement in reputational mean for the two step up strategy of dealing with responsibility was in the right direction. The mismatched diminish strategy saw no movement. Within the preventable cluster, support was provided for the matched strategy hypothesis. For the mismatched strategies, trend data supported the predicted direction of declines in reputation scores from time 2 to time 3, however, the movements were not statistically significant.

Significant effects on changes in legitimacy scores were established for the preventable crisis cluster but not for the victim cluster. As with reputation, support was provided for the matched response hypothesis in the victim cluster. Trend data showed support for the predicted improvement in legitimacy scores for the mismatched strategy of dealing with responsibility and no change in scores was recorded for the mismatched diminish strategy. In the preventable cluster, support was also provided for the matched response hypothesis with maintenance of legitimacy scores across time 2 to time 3. The mismatched deny strategy saw a decline in legitimacy scores as predicted, however, the movement was not statistically significant. The mismatched diminish strategy saw a slight increase which is against the predicted trend.

The predicted relationship between response strategy and changes in responsibility which was important in establishing the mediation effect of responsibility in the overall model was not supported. Support was provided for the association between responsibility and reputation and legitimacy as hypothesised.

The association between reputation and legitimacy was further examined in this experiment and a revised legitimacy scale representing the different theoretical subconstructs discussed in Chapter 2 was tested and confirmed for use in the remainder of experiments in this study. Further support for the theoretical difference in the associated constructs of reputation and legitimacy was provided in Experiment

2 with the different impacts of the independent variables on these constructs explained.

Experiment 3 Results

The focus for Experiment 3 was on the accommodative strategies within the "deal" category of crisis response strategies as described in Chapter 2. This category includes both the rebuilding strategies of compensation and apologising as well as the bolstering strategy of ingratiation. As the deal category potentially carries the largest legal liability for an organisation since it gets closest to admitting responsibility, understanding the impact of the different options in this category is important. This experiment had multiple purposes: to test hypotheses of the effect of strategy on the dependent variables of reputation and legitimacy; to consider the proposed mediator effect of responsibility; to test the development of scenarios for the final experiment and finally to provide a further check on the reliability of the scales used in the study.

Experiment 3 used a 2 (crisis cluster subtype: organisational misdeeds and human error product harm) x 3 (response strategy: ingratiation, compassion and apology) way design. The difference with Experiment 3 in comparison to Experiments 1 and 2 is that the two crisis scenarios are drawn from the same crisis cluster of preventable but represent two subtypes of crisis events within this cluster and the response strategies all come from the one category of dealing with responsibility.

The sample for the experiment was 270 students drawn from undergraduate and postgraduate classes. Their ages ranged from 18 – 53 years (M=24, SD 4.42) and the gender split was 71% female and 29% male respondents. Cell sizes for each of the six treatments ranged from 38 to 54 and as such were above the level recommended to meet the reliability measures for analysis (Bernard, 1994).

Manipulation Checks

A series of ANOVA tests were used to check the success of the independent variables' manipulation. The first manipulation check was conducted to determine if the participants were selecting the theoretically described crisis cluster (preventable) present in the scenarios. The scenarios used two crisis subtypes from the preventable cluster: human error product harm which involved the contamination of

a product (see Appendix 23) and transgression/organisational misdeed which involved bribery and fraud (see Appendix 19). The latter scenario was used in Experiment 2 and had already been established as successfully manipulating the independent variables. As the manipulation check questions were included at time 2 and time 3, tests for selection of crisis cluster were run at both times.

Each participant was asked whether the scenario they had read fell into the victim, accident or preventable cluster. None of the participants read scenarios in the victim or accident clusters and all participants read scenarios in the preventable cluster so that no significant differences were expected across the sample on these questions. As outlined in Table 32, the correct crisis cluster of preventable was selected by participants in each of the two subtype treatments at time 2. There was a significant difference in the groups when asked whether the crisis was an accident. Those reading the human error product harm scenario which involved a contaminated product still disagreed that it was an accident (M<4.0) and had correctly identified the scenario in the preventable category but were more likely to see the incident as an accident than those reading the fraud scenario. However, this significance did not hold when the participants were tested again at time 3. This may be demonstrating the interaction of strategy and cluster as the strategy was introduced at time 3, thereby providing a possible effect on the perception of cluster. The preventable category was clearly identified again by the participants at time 3 and no significant results in any category were found as predicted.

Table 32: Manipulation check on crisis cluster across time

Time	**Manipulation Check on Crisis Cluster**	**Human Error Product Harm Subtype Scenario** ***M (SD)***	**Transgression Subtype Scenario *M(SD)***	***F***	**df**
2	Victim	2.97 (1.12)	3.06 (1.34)	.295	1,268
	Accident	3.16 (1.12)	2.57 (1.24)	16.650*	1,268
	Preventable	**5.48** (1.13)^	**5.53** (1.08)^	.130	1,268
3	Victim	2.98 (1.15)	3.20 (1.41)	1.922	1,268
	Accident	3.14 (1.13)	2.98 (1.49)	.966	1,268
	Preventable	**5.38** (1.11)^	**5.39** (1.10)^	.007	1,268

^=correct cluster; *p<.05; M>4.0=agree

A second manipulation check using a one way ANOVA was conducted to determine whether the participants were selecting the correct responses strategy. There were three variations of the deal strategy used in the experiment: (1) ingratiation in which the organisation thanked stakeholders for their help and reminded them of past efforts to help the community; (2) compassion which had been used in the other experiments in this series and entails the company offering some form of compensation; and (3) apology in which the company accepted full responsibility and asked for forgiveness (see Appendices 20-22: 24-26). The test was carried out at time 3. As shown in Table 33, participants selected the correct strategy in each treatment category with a significant difference being demonstrated among the manipulation check items within each treatment group.

Table 33: Manipulation check on strategy

Treatment (Response Strategy)	**Ingratiation *M*(SD)**	**Compassion *M*(SD)**	**Apology *M*(SD)**	***F***	**df**
Ingratiation	**4.89(1.11)^**	3.61(1.21)	3.77(1.10)	35.49*	2,267
Compassion	3.33(1.09)	**5.30(1.04)^**	3.69(1.19)	77.849*	2,267
Apology	3.77(1.10)	3.69(1.19)	**5.45(.99)^**	76.66*	2,267

^ = correct strategy, *$p<.05$*

Reliability Analysis

Internal reliability analyses were run on the items used to operationalise the two dependent measures of reputation and legitimacy and the proposed mediator of responsibility.

Responsibility was measured at two times and used a three item scale adapted from Griffin, Babin and Darden (1991). The inter-item reliability for responsibility using Cronbach alpha was moderate (α = .62-.66).

Reputation was again measured across three time periods and was assessed using a five-item scale developed from McCroskey (1966) and adapted by Coombs & Holladay (1992). The inter-item reliability for reputation measured by Cronbach alpha was moderate with a slightly lower range at time 1 than in the other experiments (α = .49-.77). Given the same reputation scale was used in the two previous experiments, no changes were made but the alpha scores were monitored in the remaining experiments.

Legitimacy was also measured across three time periods and was assessed on the revised legitimacy scale as described in Experiment 2. The inter-item reliability for legitimacy measured by Cronbach alpha was also moderate (α = .62-.66) and lower than that for Experiment 2.

Testing for Discrete Dependent Variables

Correlation analysis was conducted at each of the relevant time periods to test the association between reputation and legitimacy. As outlined in Table 34, Pearson *r*

remained between .579 - .605 and was significant across the different scales and different time periods. This level confirms that reputation and legitimacy are strongly related (Cohen, 1988) but is at a level that still allows for support for the variables being considered theoretically different.

Table 34: Correlation analysis of reputation and legitimacy across time

Time	**Reputation** ***M* (SD)**	**Legitimacy (Revised)** ***M* (SD)**	**Pearson *r***
1	4.51 (.85)	4.47 (1.04)	.596**
2	3.97 (.92)	3.73 (.93)	.579**
3	4.24 (1.06)	3.87 (1.02)	.605**

** Correlation is significant at the 0.01 level (2-tailed)

Hypothesis Testing

The first part of Experiment 3 provides an additional check on the basic hypothesis that a matched response will maintain reputation and legitimacy from the time of the crisis event. Initial support for this hypothesis was established in Experiments 1 and 2. As all of the three responses tested in Experiment 3 are matched responses from the deal response category, this experiment is particularly designed to see if the three responses produce the same outcome or whether there is variation within the category based on the different aspects of accommodative strategies from ingratiation through to compassion and apology. The separation of the bolstering strategy of ingratiation from the other two strategies as outlined in Chapter 2 is of particular interest here.

Relevant Hypotheses

Hypothesis 1.1

A matched crisis response will maintain stakeholder perceptions of organisational reputation and legitimacy recorded immediately following the crisis event.

Hypothesis 1.3

All of the matched crisis responses used in a crisis from the preventable cluster will have the same influence on organisational reputation and legitimacy.

A series of statistical tests were undertaken to test the hypotheses. A repeated measures MANOVA was undertaken with both dependent variables (reputation and legitimacy) across all time periods. ANOVA tests were then undertaken using a change score for each dependent variable. The change score represented a computed mean based on the change in variable over specific time periods. A repeated measures ANOVA test was then used to assess the impact of the independent variables on the variable of responsibility. This was followed by a further ANOVA test using change scores in responsibility. Correlation tests were then undertaken to assess the relationships among responsibility, reputation and legitimacy and a final MANOVA test undertaken using computed levels of responsibility as a categorical variable and reputation and legitimacy as dependent variables. These tests are described further in the relevant sections. Unless indicated elsewhere, significance levels were set at $p<.05$ within the different tests. Where no change in a particular dependent variable was hypothesised, the absolute level of change in the variable has been examined and reported as well as the specific levels of significance which are expected to be well outside the null hypothesis testing level of $p<.05$.

To assess potential changes in stakeholder perceptions of organisational reputation and legitimacy, a repeated measures MANOVA test was run across time periods. The dependent variables of reputation and legitimacy were measured at time 1 (only company information), time 2 (crisis event) and time 3 (organisational response). The measurement at time 1 gives a baseline measure of reputation and legitimacy and should not show any significant differences among the subject groups as all participants have received the same information. Any change in these variables at time 2 should be related to the crisis event, however, there should not be any significant differences between the subject groups as the two crisis subtypes are in the same cluster of preventable crises. The ability of the response strategy to maintain the reputation and legitimacy scores from time 2 to time 3 as hypothesised requires measurement of these variables at both these times. These measurements

should also document that there were no significant differences across the participant groups segmented by strategy at time 3 as the response strategies are all within the same response group of dealing with responsibility.

Two types of analysis are done in Experiment 3: between the two subtypes of human error product harm and organisational misdeeds and within each subtype.

To test the effect of the interaction of the crisis cluster subtype and the response strategy on reputation and legitimacy prior to the consideration of the proposed mediator (responsibility), a repeated measures MANOVA was run incorporating both dependent variables. The multivariate analysis using Pillai's Trace as the test statistic showed time was having a significant effect on reputation and legitimacy ($F(6,259)=2012.812$, $\eta p^2=.979$, $p<.05$, observed power 1.00). The crisis subtype also had a significant effect ($F(6,259)=3.821$, $\eta p^2=.081$, $p<.05$, observed power .964), however, response strategy did not show a significant effect ($F(12,520)=1.384$, $\eta p^2=.031$, n.s., observed power .768) as expected as the strategies were all predicted to influence stakeholders in the same way. Without the significant effect for strategy, there was no significant effect for the two way interaction of crisis subtype and response strategy ($F(12,520)=1.099$, $\eta p^2=.025$, n.s., observed power .642).

As with the other experiments in this series, a further check was undertaken focusing on the period from time 2 to time 3 when the crisis event and the strategy are introduced respectively. This check used computed variables for the difference in means for reputation and legitimacy from time 2 to time 3. The results of the one way MANOVA using these dependent variables showed that there continued to be a significant effect for crisis subtype on the changes in reputation and legitimacy ($F(6,259)=6.127$, $\eta p^2=.044$, $p<.05$, observed power .886). Once again, there was no significant effect for response strategy ($F(4,528)=2.136$, $\eta p^2=.016$, n.s., observed power .633) as expected.

The effects of the independent variables on the two dependent variables were then examined separately through post hoc analysis using Tukey's HSD test. Each cluster subtype is reported separately to demonstrate key differences.

Reputation

The full model analysis suggested there was a significant difference among the subtypes over time ($F(2,263)=8.702$, $\eta p^2=.062$, $p<.05$, observed power .968) when assessing the influence of subtype on reputation. Looking at the individual time periods (see Table 35), there was no significant difference at time 1 as expected because the crisis subtype was not introduced until time 2. At time 2, the subtypes are significantly different which suggests the participants are assessing the impact of each crisis subtype separately. The organisational misdeed crisis had a stronger impact on assigned reputation as evidenced through the lower reputation score. However, the subtypes are not significantly different on reputation scores at time 3 when the crisis response strategy is being assessed which may mean that the strategies in the organisational misdeed subtype are having a stronger effect to bring the subtypes back into line. The individual crisis subtypes were then examined to identify the influence of particular strategies within each subtype.

Table 35: Differences in reputation scores for each crisis subtype over time

Time	**Human Error Product Harm *M*(SD)**	**Organisational Misdeeds *M*(SD)**	**Mdiff (SE)**
1	4.43 (.82)	4.619 (.87)	-.183 (.104)
2	4.14 (.83)	3.79 (.98)	.353 (.112)*
3	4.21(.95)	4.29 (1.16)	-.083 (.131)

*p<.05

Human Error Product Harm Subtype

Within the HEPH subtype, the full model analysis showed time was having a significant effect on reputation ($F(2,263)=4.548$, $\eta p^2=.033$, $p<.05$, observed power .865). Looking at the different time periods, reputation scores declined across the HEPH subtype from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of reputation (M_{time1} 4.43, *SD* .82, M_{time2} 4.14, *SD* .83, *MDiff* -.286, SE .097, $p<.05$). There was no significant difference in reputation scores across the three strategy groups at time 1 ($F(2,264)=.687$, $\eta p^2=.005$, n.s., observed power .255) or time 2 ($F(2,264)=.059$, $\eta p^2=.000$, n.s., observed power

.205) as predicted as the participants have received the same information to this point. As hypothesised, there was also no significant difference present at time 3 across the HEPH subtype ($F(2,264)=.683$, $\eta p^2=.005$, n.s., observed power .255) as the strategies should be having a similar effect given they are in the same response category. At time 3 on trend data, the compassion strategy resulted in the highest score for reputation (M=4.36, SD 1.07), followed by the apology strategy (M=4.15, SD .93) with the ingratiation strategy providing the lowest score for reputation (M=4.12, SD.87). This suggests there was a slight benefit in reputational terms in the company providing compensation through the compassion strategy, however, it also suggests the least involved accommodative strategy of ingratiation which makes no claim to responsibility nor provides any compensation to victims, provided a solid outcome in reputational terms for the organisation. However, these differences were not significant.

While the different strategies did not show a significant effect overall at a point in time, the individual strategies were examined to see if the movement in reputational means across the different strategies from time 2 to time 3 showed the ability of each strategy to maintain reputation or not. The omnibus ANOVA test using the difference in reputational means from time 2 to time 3 as the dependent variable again confirmed that strategy was not having a significant main effect on the shift in reputation in the HEPH subtype ($F(2,264)=.589$, $\eta p^2=.004$, n.s., observed power .148). The ingratiation strategy was predicted to maintain reputation which was supported with a very small increase of .01 in mean from time 2 to time 3 at a significance level of p=1.00 (M_{time2}=4.11, SD .85; M_{time3}=4.12, SD.86, $Mdiff$ =.01, SE.156, n.s.). This was also the case for the compassion strategy which showed a small increase of .21 at p=.512 ($M_{time\ 2}$ =4.14, SD.85, $M_{time\ 3}$ = 4.36, SD1.07, $Mdiff$=.213, SE.171, n.s.) and the apology strategy which showed a very small decrease at p=.998 ($M_{time\ 2}$ =4.18, SD.80, $M_{time\ 3}$ = 4.15, $SD.93$, $Mdiff$-.032, SE.186, n.s.). Therefore all strategies behaved similarly and maintained reputation scores from time 2 to time 3 as hypothesised. As with Experiment 2, there was a slight increase in reputational score for the compassion strategy which suggested the participants did favour the company providing benefits to victims, however, this was not a significant increase. None of the strategies fully repaired the reputational damage done from the crisis event itself. As outlined in Figure 22, all of the

treatment groups saw a decline in reputation scores from time 1 to time 2 which is related to the reputational damage from the crisis event and the final scores for reputation at time 3 were less than those for the company's pre-crisis scores at time 1.

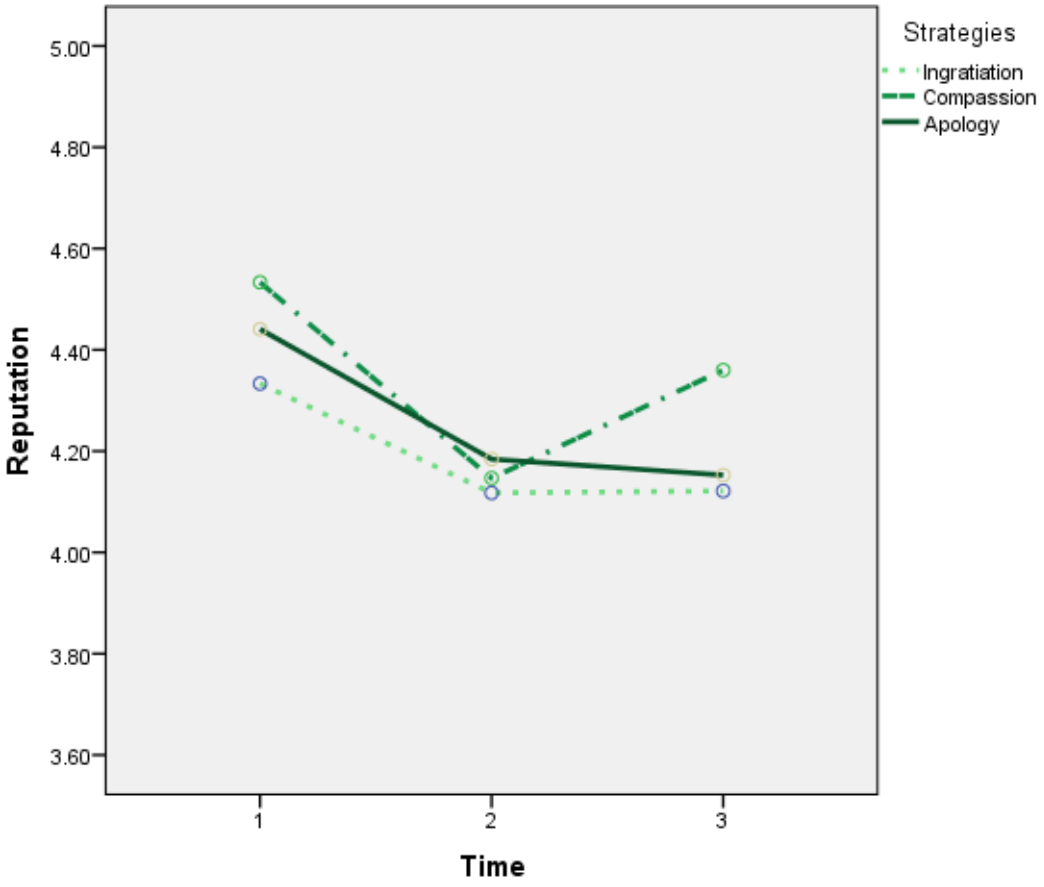

Figure 22: Impact of different strategies on reputation over time in a HEPH subtype

Organisational Misdeeds Subtype

Within the organisational misdeeds subtype, the full model analysis showed time was having a significant effect on reputation ($F(2,263)=35.879$, $\eta p^2=.214$, $p<.05$, observed power 1.000). Reputation declined across this subtype from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of reputation (M_{time1} 4.61, *SD* .87; M_{time2} 3.78, *SD* .98; *MDiff* -.822, SE .098, $p<.05$). There was no significant difference in reputation scores across the three strategy groups at time 1 ($F(2,264)=1.099$, $\eta p^2=.008$, n.s., observed power) or time 2 ($F(2,264)=.906$, $\eta p^2=.007$, n.s., observed power .385) as predicted as the participants

have received the same information to this point. As predicted, there was also no significant difference present at time 3 across the organisational misdeeds subtype ($F(2,264)=.175$, $\eta p^2=.001$, n.s., observed power .165) as the strategies should be having a similar effect given they are in the same response category. In terms of the means at time 3, the compassion strategy resulted in the highest score for reputation (M=4.36, SD 1.04), followed by the ingratiation strategy (M=4.28, SD 1.35) with the apology strategy providing the lowest score for reputation (M=4.23, SD1.05), however, the differences between these means were not significant.

While the different strategies were not showing a significant effect overall at a point in time, the individual strategies were examined to analyse any movement in reputational means across the different strategy types from time 2 to time 3. Such movement should be due to the strategy which was introduced at time 3. The omnibus ANOVA test using the difference in reputational means from time 2 to time 3 suggested strategy was not having a significant effect on the shift in reputation scores in the organisational misdeeds subtype ($F(2,264)=.689$, $\eta p^2=.005$, n.s., observed power .166). However, post hoc analysis showed some differences among the particular strategy options. The ingratiation strategy was predicted to maintain reputation which was not supported as there was a significant result for a shift in mean from time 2 to time 3(M_{time2}=3.64, *SD* 1.15; M_{time3}=4.28, *SD1.35*, *Mdiff=.634*, SE.164, p.<.05). This was also the case for the compassion strategy ($M_{time\ 2}$ =3.86, *SD*.83, $M_{time\ 3}$ = 4.36, *SD*1.04, *Mdiff=.500*, SE.186, p.<.05). The apology strategy, however, did maintain reputation as hypothesised with a very small increase of .35 recorded at a significance level of p=.102 ($M_{time\ 2}$ =3.87, *SD*.91, $M_{time\ 3}$ = 4.23, *SD1.05*, *Mdiff*=.358, SE.169, n.s.). As outlined in Figure 23, all strategies moved in the same direction which was to enhance stakeholder perceptions of reputation through higher scores across this time period, however, some strategies saw larger shifts than others. Interestingly, the largest increase in reputation scores was for the ingratiation strategy which is not recommended for use as an isolated strategy. Once again, none of the strategies had sufficient power to return the company's reputation to that of time 1 which is pre-crisis. Thus, the company still suffered reputation damage.

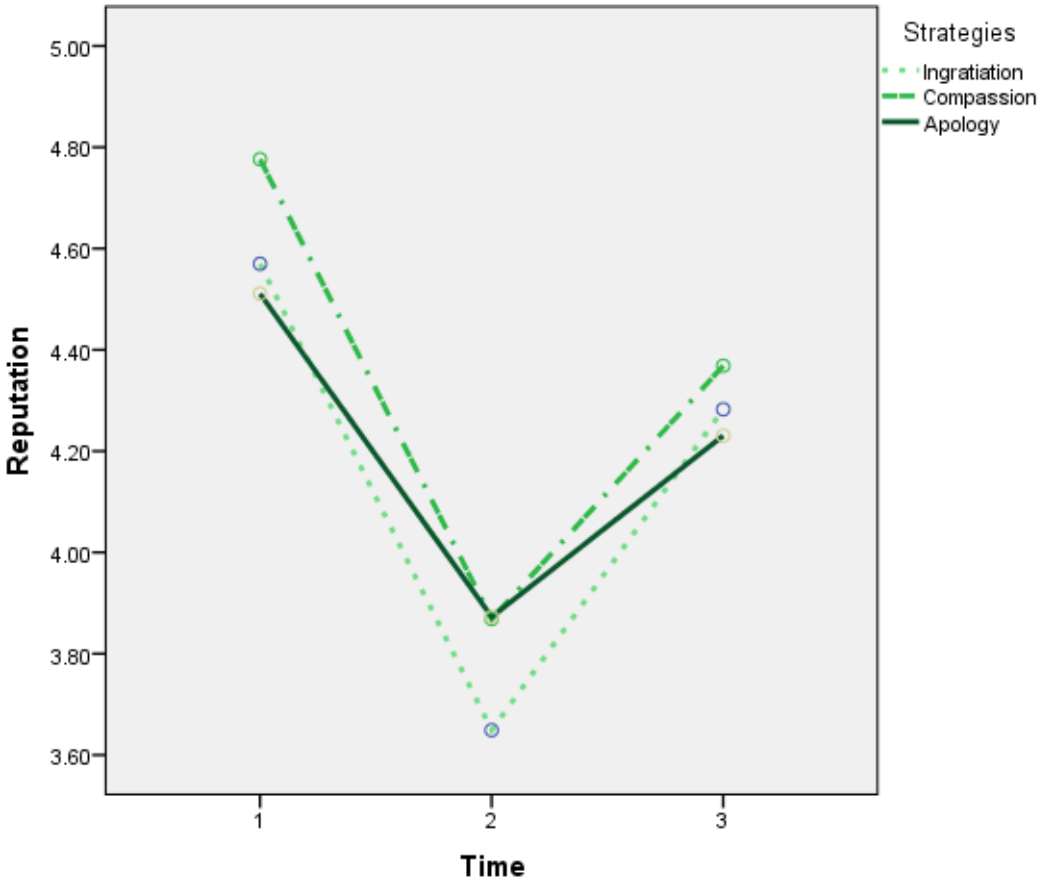

Figure 23: Impact of different strategies on reputation over time in an organisational misdeeds subtype

As a final test, Experiment 3 included a direct question to participants on the influence of strategy on their perceptions of reputation. The participants agreed that the company response did influence their perception of reputation (*M*=4.5, SD1.34 where *M*=4=agree). While there was no significant difference on this question among those in the different strategy treatments ($F(2,269)=.903$, $\eta p^2=.007$, n.s., observed power .223), there was a significant difference among the subtypes on the level of this influence ($F(1,268)=4.745$, $\eta p^2=.017$, $p<.05$, observed power .586). Those in the organisational misdeeds treatments showed a higher level of agreement on the influence (*M*=4.72, SD 1.34 where *M*=4.0=agree) than those in the HEPH treatments (*M*=4.35, SD 1.50) which supports the earlier findings of greater difference in strategy impacts on reputation scores in the organisational misdeeds category.

Legitimacy

The full model analysis suggested that there was a significant difference on legitimacy over time within each subtype ($F(2,263)=4.950$, $\eta p^2=.036$, $p<.05$, observed power .667). Looking at the individual time periods and across the subtypes outlined in Table 36, there was no significant difference at time 1 as expected because the crisis subtype was not introduced until time 2**.** At time 2, there continued to be no significant difference between the subtypes which suggests the participants were not distinguishing between the subtypes in terms of assessing the impact of each crisis on organisational legitimacy. There was also no significant difference at time 3.

Table 36: Differences in legitimacy scores for each crisis subtype over time

Time	**Human Error Product Harm *M*(SD)**	**Organisational Misdeeds *M*(SD)**	**Mdiff (SE)**
1	4.36 (1.01)	4.59 (1.06)	-.220 (.128)
2	3.78 (.93)	3.68 (.94)	.103 (.115)
3	3.75 (.99)	3.99 (1.04)	-.216 (.124)

*p<.05

Human Error Product Harm Subtype

Within the HEPH subtype, the full model analysis showed time was having a significant effect on legitimacy ($F(2,263)=19.168$, $\eta p^2=.127$, $p<.05$, observed power 1.000). Legitimacy scores declined across the HEPH subtype from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of legitimacy (M_{time1} 4.36, *SD 1.01;* M_{time2} 3.78, *SD* .93; *MDiff* -.595, SE .101, $p<.05$). There was no significant difference in legitimacy scores across the three strategy groups at time 1 ($F(2,264)=.801$, $\eta p^2=.006$, n.s., observed power .165) or time 2 ($F(2,264)=1.695$, $\eta p^2=.013$, n.s., observed power .222) as predicted as the participants have received the same information to this point. Supporting Hypothesis 1.3, there was also no significant difference present at time 3 across the HEPH subtype ($F(2,264)=2.791$, $\eta p^2=.021$, n.s., observed power .365) as the strategies should have a similar effect given they are in the same response category.

On trend data at time 3, the apology resulted in the highest score for legitimacy (*M*=3.92, SD 1.06), followed by the compassion strategy (*M*=3.91, SD1.02) with the ingratiation strategy providing the lowest score for legitimacy (*M*=3.50, SD.87). However, this analysis doesn't take into account the movement in legitimacy from the point of crisis at time 2.

The individual strategies were examined to see if the movement in legitimacy means across the different strategy types from time 2 to time 3 showed the ability of each strategy to maintain legitimacy at the level of damage already suffered through the crisis event. The omnibus ANOVA test using the difference in legitimacy means from time 2 to time 3 as the dependent variable confirmed that strategy was not having a significant effect on the shift in legitimacy in the HEPH subtype ($F(2,264)=2.152$, $\eta p^2=.016$, n.s., observed power .439). The ingratiation strategy was predicted to maintain legitimacy which was supported with a small decline in mean from time 2 to time 3 at a significance level of p=.458 (M_{time2}=3.66, *SD* .97; M_{time3}=3.50, *SD*.87; *Mdiff* =-.169, SE.127, n.s.). This was also the case for the compassion strategy which saw an even smaller decline at p=.929 ($M_{time\ 2}$ =3.99, *SD*.86; $M_{time\ 3}$ = 3.91, *SD1.02; Mdiff*=-.076, SE.139, n.s.). The apology strategy ($M_{time\ 2}$ =3.68, *SD.94;* $M_{time\ 3}$ = 3.92, *SD1.06*; *Mdiff*=.232, SE.151, n.s.) saw a slightly larger increase at a significance level of p=.333. Given the relatively small size of these movements and the significance levels established, the proposition that all strategies maintained legitimacy can be supported. There was a slight increase in legitimacy scores for the apology strategy as outlined in Figure 24 which was against the trend of the other strategies. As with reputation, none of the strategies returned the company to its pre-crisis legitimacy scores (time 1).

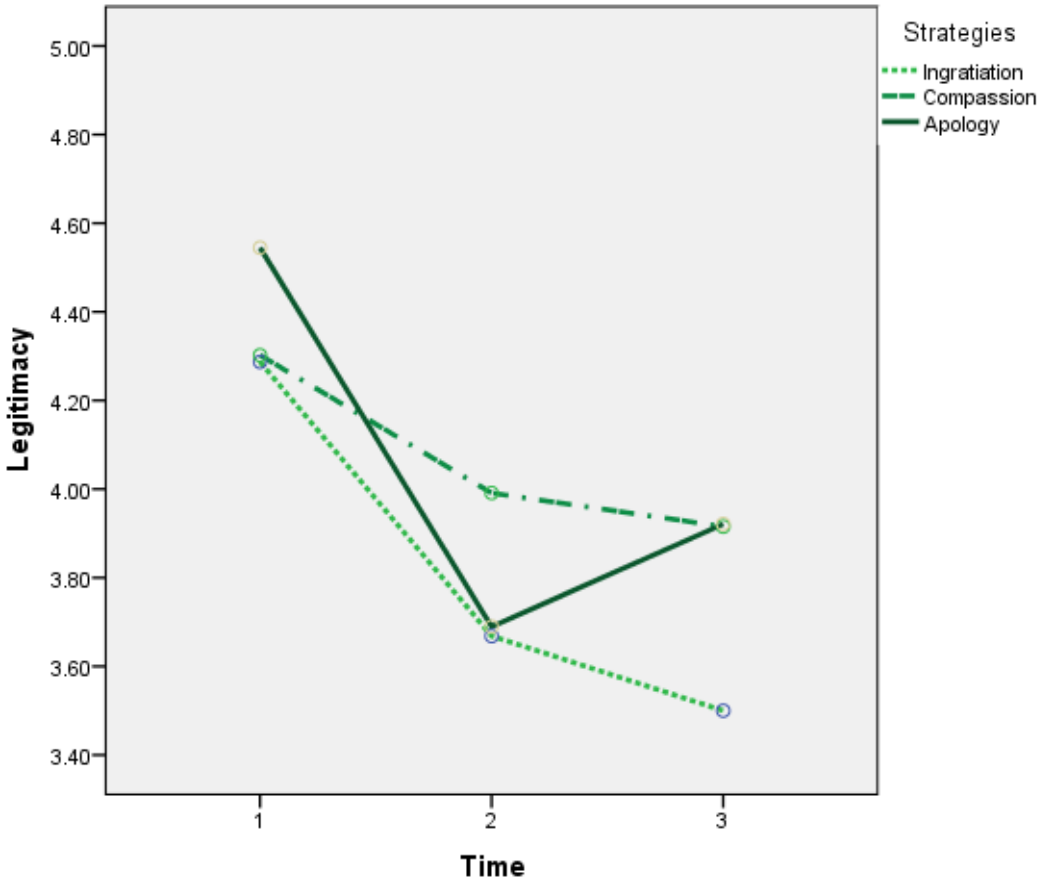

Figure 24: Impact of different strategies on legitimacy over time in a HEPH subtype

Organisational Misdeeds Subtype

Within the organisation misdeeds subtype, the full model analysis showed time was having a significant effect on legitimacy ($F(2,263)=40.857$, $\eta p^2=.237$, $p<.05$, observed power .875). Looking at the different time periods, legitimacy scores declined from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of legitimacy (M_{time1} 4.59, *SD 1.06;* M_{time2} 3.68, *SD* .94; *MDiff* -.918, SE .102, $p<.05$). There was no significant difference in legitimacy scores across the three strategy groups at time 1 ($F(2,264)=.069$, $\eta p^2=.001$, n.s., observed power .125) or time 2 ($F(2,264)=.891$, $\eta p^2=.006$, n.s., observed power .265) as predicted. Further supporting Hypothesis 1.3, there was also no significant difference present at time 3 across the organisational misdeeds subtype ($F(2,264)=.510$, $\eta p^2=.004$, n.s., observed power .222) as the strategies should be having a similar effect given they are in the same response category. At time 3, the

apology resulted in the highest score for legitimacy (*M*=4.11, SD 1.00), followed by the compassion strategy (*M*=3.97, SD1.00) with the ingratiation strategy providing the lowest score for legitimacy (*M*=3.90, SD1.10) although their differences were not significant.

An omnibus ANOVA test using the difference in legitimacy means from time 2 to time 3 as the dependent variable confirmed that strategy was not having a significant effect on the shift in legitimacy in the organisational misdeeds subtype ($F(2,264)=.628$, $\eta p^2=.005$, n.s., observed power .155). The effect size was approximately one-third of that recorded for the other subtype.

The ingratiation strategy was predicted to maintain legitimacy which was supported with a very small increase of .206 from time 2 to time 3 at a significance level of p=.324 (M_{time2}=3.69, *SD1.09*; M_{time3}=3.90, *SD1.10*, *Mdiff* =.206, SE.133, n.s.). This was also the case for the apology strategy which had a slightly larger increase with a significance level of p=.234 ($M_{time\ 2}$ =3.80, *SD.82;* $M_{time\ 3}$ = 4.11, *SD1.00; Mdiff*=.309, SE.137, n.s.). However, there was a significant difference for the compassion strategy ($M_{time\ 2}$ =3.53, *SD*.88; $M_{time\ 3}$ = 3.97, *SD1.00; Mdiff=.432*, SE.151, p<.05) which saw an increase in legitimacy scores from time 2 to time 3. The significant result for compassion suggests that the participants felt more positively towards the company for providing compensation and therefore increased their scores for legitimacy as outlined in Figure 25. As before, none of the strategies returned the company to its pre-crisis legitimacy scores.

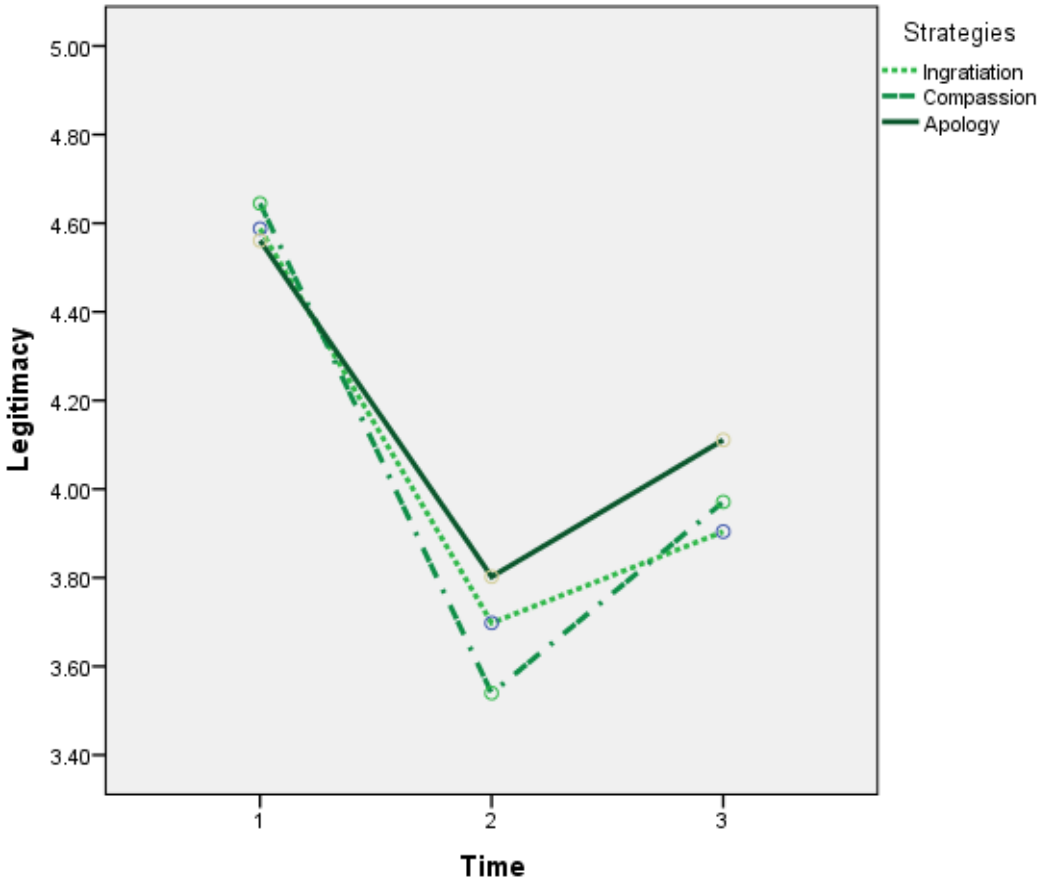

Figure 25: Impact of different strategies on legitimacy over time in an organisational misdeeds subtype

As with reputation, Experiment 3 included a direct question to participants on the influence of strategy on their perceptions of the company's legitimacy. The participants agreed that the company response did influence their perception of legitimacy (*M*=4.41, SD1.38 where 4=agree). While there was no significant difference on this question among those in the different strategy treatments ($F(2,269)=2.473$, $\eta p^2=.018$, n.s., observed power .557), there was a significant difference among the subtypes on the level of this influence ($F(1,269)=4.500$, $\eta p^2=.017$, $p<.05$, observed power .561). Those in the organisational misdeeds treatments showed a higher level of agreement on the influence (*M*=4.57, SD 1.36) than those in the HEPH treatments (*M*=4.25, SD 1.38)**.**

Responsibility

The second part of Experiment 3 provides a further test on the influence of the potential mediator of responsibility as outlined in Research Question 2.

Research Question 2

How does responsibility mediate the influence of response strategies used during crises from different clusters on stakeholder perceptions of organisational reputation and legitimacy?

As there is only one cluster being tested in Experiment 3, the particular focus is on the two subtypes within the preventable cluster to see if they have the same influence on responsibility.

In addition, all the response strategies being tested are matched ones (deal strategies in the preventable crisis cluster), thus the influence of each strategy should be similar.

Relevant Hypotheses

Hypothesis 2.1

A matched crisis response will maintain the level of stakeholder perceptions of organisational responsibility and will subsequently maintain the level of stakeholder perceptions of reputation and legitimacy recorded immediately following the crisis event.

Hypothesis 2.3

All of the matched crisis responses used in a crisis from the preventable cluster will have the same influence on organisational responsibility, reputation and legitimacy.

A number of tests were conducted to consider the role of responsibility. To assess whether stakeholder perceptions of crisis responsibility were being maintained or changed by the strategy within each crisis subtype (HEPH and organisational misdeeds), a repeated measures ANOVA was run across time periods. Responsibility was measured at time 2 (crisis event) and time 3 (organisational response). The measurement at time 2 gives a baseline measure of attributed responsibility based on the crisis event and should not show significant differences between subject groups based on the crisis subtype as they are from the same cluster. The ability of the response strategy to maintain responsibility at time 3 requires

measurement of this variable at time 2 and time 3. Once again, significant differences should not be seen across the participant groups at time 3 based on the different subtypes or within each subtype as the responses are from the same category.

For the first test, the full model analysis suggested no significant difference between the two subtypes used in experiment 3 ($F(1,264)=1.892$, $\eta p^2=.007$, n.s., observed power .264). As the subtypes are in the same cluster, they are theoretically predicted to behave the same and this was supported as outlined in Table 37. There was also no significant difference among these subtypes over time ($F(1,264)=.542$, $\eta p^2=.002$, observed power .107). This analysis looked at time 2 when the crisis event occurred and time 3 when the response strategy was introduced.

Table 37: Differences in responsibility scores for each crisis subtype over time

Time	**Human Error Product Harm *M*(SD)**	**Organisational Misdeeds *M*(SD)**	**Mdiff (SE)**
2	4.637 (1.20)	4.517 (1.30)	.120 (.155)
3	4.599 (1.16)	4.368 (1.34)	.232 (.154)

To check whether the introduction of the response strategy influenced any change in responsibility, the effect of strategy on the difference in responsibility scores from time 2 to time 3 was analysed. A one way ANOVA showed no significant main effect for strategy on the change in responsibility scores ($F(2,264)=.580$, $\eta p^2=.004$, n.s., observed power .146), nor for subtype ($F(1,264)=.486$, $\eta p^2=.002$, n.s., observed power .107) which supports the matched strategy hypothesis. As at the full model level there was limited change in responsibility, significant results at the individual strategy and subtype levels were unlikely. However, post hoc analysis was undertaken as this was the first test of these particular strategies in this series of experiments.

Human Error Product Harm Subtype

Within the HEPH subtype, the full model analysis showed time was not having a significant effect on responsibility ($F(1,264)=.110$, $\eta p^2=.000$, n.s., observed power

.065) with responsibility scores maintained from time 2 to time 3 (M_{time2} 4.63, *SD 1.20;* M_{time3} 4.59, *SD1.16; MDiff* -.037, SE .113, n.s.). There was no significant difference in responsibility scores across the three strategy groups at time 2 ($F(2,264)=.688$, $\eta p^2=.005$, n.s., observed power .145) as predicted as the participants have all received the same information at this time. There was also no significant difference at time 3 ($F(2,264)=1.231$, $\eta p^2=.009$, n.s., observed power .222) as hypothesised as the strategies should have a similar effect given they are in the same response category. At time 3 on trend data, the apology resulted in the highest measure for responsibility (M=4.77, SD 1.14) which is explainable as this strategy accepts responsibility, followed by the ingratiation strategy (M=4.66, SD 1.08) with the compassion strategy providing the lowest score for responsibility (M=4.36, SD1.25).

While the different strategies were not showing a significant effect overall at a point in time, the individual strategies were examined to see if the movement in responsibility means across the different strategy types from time 2 to time 3 showed the ability of each strategy to shift responsibility or not. A one way ANOVA using the mean difference in responsibility as the dependent variable showed no significant influence of strategy in the HEPH category ($F(2,264)=.097$, $\eta p^2=.001$, n.s., observed power .065).

As a final check, each strategy was assessed. The ingratiation strategy was predicted to maintain responsibility which was supported with a strongly non-significant result at p=.958 for a shift in mean from time 2 to time 3(M_{time2}=4.65, *SD* 1.26; M_{time3}=4.66, *SD*1.08*; Mdiff* =.009, SE.178, n.s.). As shown in Figure 26, this was also the case for the compassion strategy ($M_{time\ 2}$ =4.46, SD1.15*;* $M_{time\ 3}$ = 4.36, SD1.25*; Mdiff*=*-.104*, SE.195, n.s.) which recorded a very small decline at a significance level of p=.595 and the apology strategy which also recorded next to no change at all at a significance level of p=.934 ($M_{time\ 2}$ =4.78, *SD1.18;* $M_{time\ 3}$ = 4.77, *SD*1.14*; Mdiff*=-.018, SE.212, n.s.). Therefore all strategies maintained responsibility as predicted.

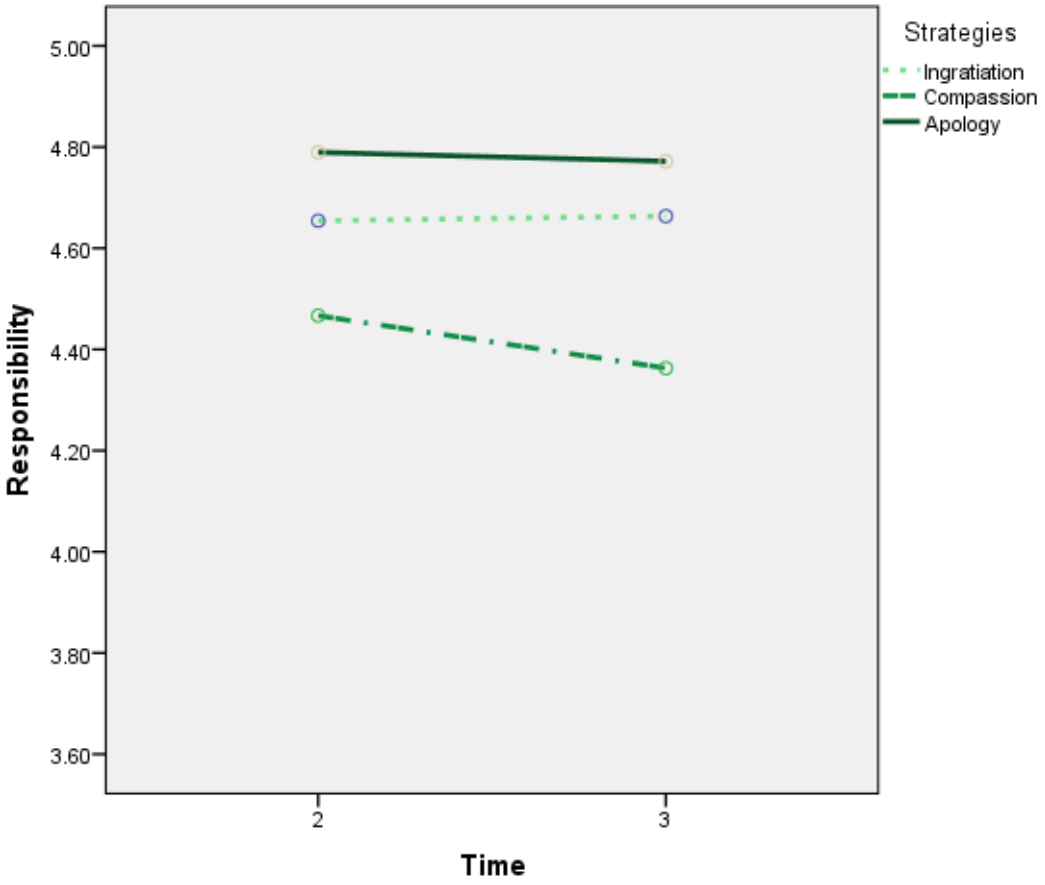

Figure 26: Impact of different strategies on responsibility over time in a HEPH subtype

Organisational Misdeeds Subtype

Within the organisational misdeeds subtype, the full model analysis showed time was not having a significant effect on responsibility ($F(1,264)=1.714$, $\eta p^2=.006$, n.s., observed power .244) with responsibility maintained from time 2 to time 3 (M_{time2} 4.51, *SD* 1.30*;* M_{time3} 4.37, SD1.3*;*, *MDiff* -.149, SE .114, n.s.). As predicted, there were no significant differences in responsibility scores across the three strategy groups at time 2 ($F(2,264)=.039$, $\eta p^2=.000$, n.s., observed power .010) as the participants have all received the same information at this time. There was also no significant difference at time 3 ($F(2,264)=1.269$, $\eta p^2=.010$, n.s., observed power .355) as predicted as the strategies should have a similar effect given they are in the same response category. At time 3 on trend data, the apology resulted in the highest measure for responsibility ($M=4.60$, SD 1.28) which is explainable as this strategy accepts responsibility, followed by the ingratiation strategy ($M=4.32$, SD 1.48) with the compassion strategy providing the lowest score for responsibility ($M=4.17$,

SD1.22). However, this analysis doesn't take into account the movement in responsibility from the point of crisis at time 2.

While the different strategies were not showing a significant effect overall at a point in time, the individual strategies were examined to see if the movement in responsibility means across the different strategy types from time 2 to time 3 show the ability of each strategy to shift responsibility or not. A one way ANOVA using the mean difference in responsibility as the dependent variable showed no significant influence of strategy in the organisational misdeeds category ($F(2,264)=.793$, $\eta p^2=.006$, n.s., observed power .185).

The ingratiation strategy was predicted to maintain responsibility which was supported with a non-significant result at p=.326 for a shift in mean from time 2 to time 3(M_{time2}=4.51, *SD* 1.34; M_{time3}=4.32, *SD1.48; Mdiff* =-.184, SE.187, n.s.). As shown in Figure 27, this was also the case for the compassion strategy which saw a slight decline of .307 at a significance level of p=.248 ($M_{time\ 2}$ =4.48, *SD1.35;* $M_{time\ 3}$ = 4.17, *SD1.22; Mdiff=-.307*, SE.212, n.s.) and the apology strategy which saw a very slight increase at a significance level of p=.821 ($M_{time\ 2}$ =4.55, *SD1.26;* $M_{time\ 3}$ = 4.60, *SD1.28; Mdiff*=.043, SE.192, n.s.). Therefore all strategies maintained responsibility as predicted.

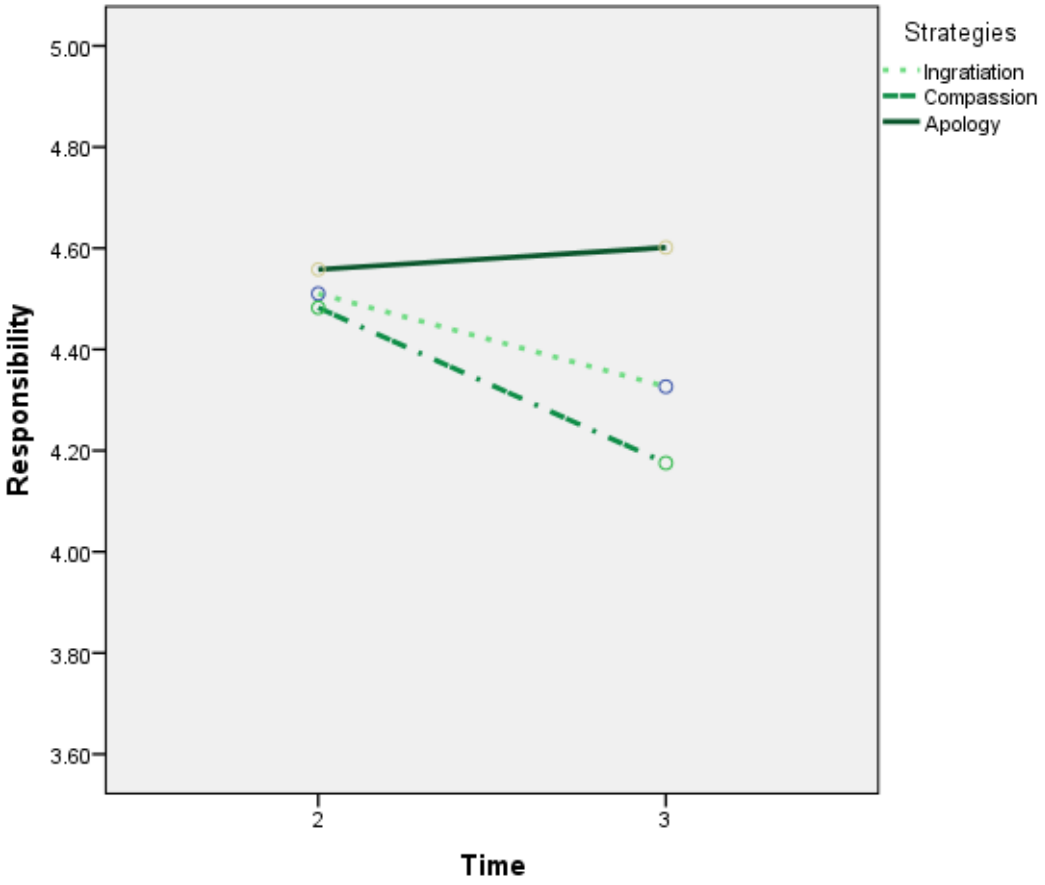

Figure 27: Impact of different strategies on responsibility over time in an organisational misdeeds subtype

Combined Clusters

As no main effects for cluster or strategy were found on responsibility, no further tests for responsibility as a mediator were undertaken. Experiment 3 included a direct question to participants on the influence of strategy on judgments of organisational responsibility. The participants agreed that the company response did influence their perception of responsibility (*M*=4.54, SD1.35). While there was no significant difference on this question among those in the different strategy treatments ($F(2,269)=.866$, $\eta p^2=.006$, n.s., observed power .165), there was a significant difference among the subtypes on the level of this influence ($F(1,269)=4.521$, $\eta p^2=.0174$, $p<.05$, observed power .655). Those in the organisational misdeeds treatments showed a higher level of agreement on the influence (*M*=4.72, SD 1.33) than those in the HEPH treatments (*M*=4.37, SD 1.36). Interestingly this influence appeared to be in the company's favour with a greater reduction in responsibility levels from time 2 to time 3.

The influence of responsibility on reputation and legitimacy was examined further through correlation analysis. Correlation analysis at time 2 and time 3 (see Table 38) was undertaken as well as a further correlation test using the computed change over time variables (see Table 39).

This analysis confirms the significant relationships between responsibility, reputation and legitimacy at time 2 with a predicted increase in responsibility scores leading to a decrease in reputation and legitimacy scores. However, at time 3, responsibility is no longer significantly associated with reputation, providing further support for the difference between reputation and legitimacy as measured constructs. A significant association was only established for legitimacy at this time, again with the direction as predicted. When running the same tests but using the computed variables for the change in responsibility over time 2 to time 3 and the change in reputation and legitimacy, significant associations were established with both reputation and legitimacy.

Table 38: Correlation analysis of responsibility, reputation and legitimacy at time 2 and 3

	Reputation Time 2 Pearson *r*	**Legitimacy Time 2 Pearson *r***	**Reputation Time 3 Pearson *r***	**Legitimacy Time 3 Pearson *r***
Responsibility Time 2	-.344**	-.496**		
Responsibility Time 3			-.090	-.311**

**Correlation is significant at the 0.01 level (2-tailed)

Table 39: Correlation analysis using change variables across time 2-3 for responsibility, reputation and legitimacy

Time 2-3	**Change in Reputation Pearson *r***	**Change in Legitimacy Pearson *r***
Change in Responsibility	-.238**	-.301**

**Correlation is significant at the 0.01 level (2-tailed)

The final test involved responsibility at time 2 and time 3 being converted to a categorical variable with low, medium and high responsibility categories. The categorical responsibility variable was then used as an independent variable in a one way MANOVA with reputation and legitimacy at each time period as the dependent variables with the means for each grouping displayed in Table 40.

Table 40: Means for reputation and legitimacy across time for different categories of responsibility

Responsibility by category	**Reputation Time 2** ***M*****(SD)**	**Reputation Time 3** ***M*****(SD)**	**Legitimacy Time 2** ***M*****(SD)**	**Legitimacy Time 3** ***M*****(SD)**
Low	4.49 (.94)	4.97 (.98)	4.46 (.92)	4.67 (.92)
Medium	4.07 (.75)	4.16 (.83)	3.87 (.81)	3.91 (.91)
High	3.68 (.92)	3.93 (1.30)	3.34 (.89)	3.54 (1.06)

For time 2, the multivariate analysis using Pillai's Trace showed a significant relationship between the levels of responsibility and reputation and legitimacy scores ($F(4,534)=12.400$, $\eta p^2=.085$, $p<.05$, observed power 1.000). The highest level of responsibility saw the lowest associated reputation and legitimacy scores as predicted. The univariate analysis showed a stronger effect size for legitimacy ($F(2,267)=26.197$, $\eta p^2=.164$, $p<.05$, observed power 1.000) than reputation ($F(2,267)=12.923$, $\eta p^2=.088$, $p<.05$, observed power .997).

At time 3, the multivariate analysis also showed a significant relationship albeit with a lower effect size than at time 2 ($F(4,534)=19.062$, $\eta p^2=.064$, $p<.05$, observed power .999). At time 3, when strategy is in place, the effect of the judgments of responsibility on legitimacy ($F(2,267)=15.988$, $\eta p^2=.107$, $p<.05$, observed power 1.000) remain stronger than on reputation ($F(2,267)=8.572$, $\eta p^2=.060$, $p<.05$, observed power .966). As at time 2, the higher the level of responsibility assigned to the organisation, the lower the reputation and legitimacy scores.

Summary of Experiment 3 Results

Experiment 3 provided further support for the importance of fully understanding the impact of the crisis event in designing organisational responses. While the two events investigated in this experiment came from the same theoretical cluster, differences within the types were evident at different levels of analysis. The human error product harm event was not as cleanly perceived by stakeholders as being in the preventable cluster with a number of participants believing it could also have been located in the accident cluster. This raises an important question for crisis managers as the crisis event cluster selection is important to ascertain the recommended 'match' strategy.

Experiment 3 provided partial support for the hypotheses of matched strategies maintaining responsibility, reputation and legitimacy, however there were some differences found across the two subtypes and within the three response categories.

Support was provided for the hypotheses within the human error product harm category with all strategies maintaining reputation and legitimacy. Responsibility was also maintained in this category although the mediation effect could not be fully established as strategy was not having a significant effect on responsibility.

There was more volatility in the results for the organisational misdeeds crisis event. While there were no significant differences among the strategies on reputation at time 3 as expected, there were significant movements in reputation scores for two of the strategies from time 2 to time 3 which did not support the hypothesis for maintenance of scores. The movement in scores resulted in higher reputation scores for the company so the strategies resulted in some benefit to the company. Similarly for legitimacy, two of the strategies maintained legitimacy scores from time 2 to time 3 with the third strategy of compassion having a significant increase. While this did not support the maintenance hypothesis, it brought further benefits to the company through a higher legitimacy score. Responsibility scores were also maintained in this category.

The main focus for this study was on whether the strategies provided similar outcomes given each of them sees the company dealing with responsibility in a

slightly different way. This was largely supported by the results. Of particular interest is the similar performance of the bolstering strategy of ingratiation against the other two strategies of compassion and apology. Simply reminding people of the good deeds of the company through the ingratiation strategy did not have significantly different outcomes on reputation and legitimacy to offering a full apology for the crisis event. Given the differences in potential legal liability in these two strategies, this is an area of significant interest for crisis managers.

None of the strategies in either type could reverse the reputational and legitimacy damage done to the company through the crisis event. The scores for reputation and legitimacy at time 3 remained less than those at time 1, thus some damage to the company remained.

Conclusion

This chapter has outlined the results for the Stage One experiments which focused on the influence of different strategies across different types of crisis events on the organisational assets of reputation and legitimacy. The relevant research questions have been addressed and the support for the related hypotheses identified. The results from this chapter form the foundation of the retesting of the SCCT model propositions under the specific pre-test post-test methodology adopted for this study. The next chapter reports the results for Stage Two of this study.

Chapter 5 Stage Two Results

This chapter reports the results of Stage Two of this study and focuses on the variable of responsibility. One experiment was run in this stage. The aims of this experiment, the sample accessed and the key data analysis techniques used are described in detail. The results of hypothesis testing through the use of multivariate statistical analysis are outlined. Support for the hypotheses is discussed where appropriate and forms the basis for the further analysis and discussion of the research questions in Chapter 8.

Stage Two Focus

Given its central role in the model, Stage Two of this study was focused on the variable of responsibility. In the Stage One experiments, responsibility was assessed as mediating the relationship between the independent variables of crisis cluster and organisational response and the dependent variables of reputation and legitimacy. Small effect sizes were detected in the results and responsibility was reconstituted as a categorical variable in these experiments to allow for further analysis.

To try and establish a more specific link between responsibility and reputation and legitimacy, responsibility was reconceived in Stage Two of the study as an independent variable and tested as such in Experiment 4. This allowed explicit manipulation of the specific levels of responsibility assigned to the organisation and an assessment of the impact of these levels on reputation and legitimacy scores. Responsibility was also retested as a dependent variable in Experiment 4 in line with the other experiments. This provided a check on the manipulated level of responsibility in the scenarios to ensure it was being reflected in the assessed responsibility scores from the questionnaire.

Research Question

The research question addressed in Experiment 4 was:

> *Research Question 3*
>
> *How does an organisation's responsibility for a crisis affect stakeholder perceptions of its reputation and legitimacy?*

Experiment 4 Results

Experiment 4 used a 1 (crisis cluster: accident) x 2 (levels of responsibility: fully responsible and not responsible) way design. The levels of responsibility for the crisis contained in the scenarios were assigned by an independent third party who had investigated the crisis. Two different scenarios were developed (see Appendices 28-29).

The sample for the experiment was 107 students drawn from undergraduate and postgraduate classes. Their ages ranged from 19 – 31 years (*M*=24, SD3.20) and included 82% female and 18% male respondents. Cell size for each of the two treatments were 52 for fully responsible and 55 for not responsible, well above the level recommended to meet the reliability measures for analysis (Bernard, 1994).

Manipulation Checks

Descriptive statistics were run and a series of ANOVA tests used to check the success of the independent variables' manipulation. The first manipulation check was conducted to determine if participants were selecting the theoretically described crisis cluster (accident) present in the scenarios at time 2 (see Appendix 27). Each participant was asked whether the scenario they had read was in the victim, accident or preventable cluster. As outlined in Table 41, the accident cluster was clearly identified by the participants at time 2**,** which was before the participants received any information on responsibility for the crisis.

A further check was undertaken to consider the individual treatments of responsibility. As outlined in Table 41, both treatment groups correctly identified the scenario as an accident at time 2 and there was no significant difference between the two treatments. However, by time 3, the participants who had read information suggesting the company was "fully responsible" were now more likely to believe the crisis event was in the preventable cluster which would align with the description of assigned responsibility. The participants in the "not responsible" treatment still saw the crisis event as falling in the accident cluster, closely followed by the victim cluster. As both these clusters carry low levels of organisational responsibility, these results were as expected and support the assignment of the crisis clusters by levels of

responsibility. There were significant differences between the treatments on all these clusters.

Table 41: Manipulation check on crisis cluster by treatment over time

	Total *M*(SD)	**Fully Responsible *M* (SD)**	**Not Responsible *M* (SD)**	***F***	**df**
Time 2					
Victim	3.31 (1.21)	3.36 (1.32)	3.27 (1.06)	.154	1,106
Accident	5.50 (.94)	5.57 (1.03)	5.43 (.85)	.589	1,106
Preventable	3.57 (1.18)	3.65 (1.21)	3.49 (1.15)	.505	1,106
Time 3					
Victim	3.78 (1.77)	2.55 (1.34)	4.94 (1.28)	88.082*	1,106
Accident	4.39 (1..85)	3.38 (1.78)	5.34 (1.35)	41.385*	1,106
Preventable	4.44 (1.59)	5.38 (1.45)	3.56 (1.16)	51.180*	1,106

M>4.0=agree, *p<.05

A third manipulation check was conducted to determine whether the participants were identifying each of the two embedded conditions for responsibility. The check was carried out at time 3 and participants were asked to agree/disagree with the statement that an inquiry had found the company responsible. Those in the "fully responsible" treatment group strongly agreed with the statement (*M*=5.48, SD=1.24 where 4.0=agree) and those in the "not responsible" treatment group strongly disagreed with the statement (*M*=2.16, SD=1.15), confirming the successful manipulation.

Reliability Analysis

Internal reliability analyses were conducted on the items used to operationalise the two main dependent measures of reputation and legitimacy as well as responsibility in its guise as the manipulation check on whether assigned responsibility in the scenario aligned with attributed responsibility through the questionnaire.

Reputation was measured across three time periods and was assessed using a five-item scale developed from McCroskey (1966) and adapted by Coombs & Holladay (1992). The inter-item reliability for reputation measured by Cronbach alpha was moderate to strong, particularly at time 3 (α = .67 - .964).

Legitimacy was also measured across three time periods and was assessed on the revised legitimacy scale as described in Experiment 2. The inter-item reliability for legitimacy measured by Cronbach alpha was also strong (α = .910-.972).

Responsibility was measured twice and used a three item scale adapted from Griffin, Babin and Darden (1991). The inter-item reliability for responsibility using Cronbach alpha was strong (α =.881 - .971).

Testing for Discrete Dependent Variables

Correlation analysis was run at each of the relevant time periods to test the association between reputation and legitimacy. Pearson *r* remained between .623-.883 and was significant across the different scales and different time periods. At time 3, there is a near perfect correlation which would not support the theoretical claim of different variables, however, this level of correlation has not been seen in the other experiments. The level of correlation will continue to be monitored in the subsequent experiments.

Table 42: Correlation analysis of reputation and legitimacy across time

Time	**Reputation *M* (SD)**	**Legitimacy *M* (SD)**	**Pearson *r***
1	4.90 (.64)	4.79 (.76)	.623**
2	3.45 (.99)	3.24 (.87)	.692**
3	3.99 (1.51)	3.75 (1.37)	.883**

** Correlation is significant at the 0.01 level (2-tailed)

Hypothesis Testing

Experiment 4 is focused on understanding the relationship between different levels of responsibility and an organisation's reputation and legitimacy.

Relevant Hypothesis

The hypothesised relationship is:

Hypothesis 3.1

An organisation that is fully responsible for a crisis will be judged by stakeholders as having a lower level of reputation and legitimacy than an organisation that is not responsible for a crisis.

A series of statistical tests were undertaken to test the hypotheses. A repeated measures MANOVA was undertaken with both dependent variables (reputation and legitimacy) across all time periods followed by univariate analysis for each variable. The MANOVA test was then repeated using a change score for each dependent variable and an ANOVA test using each discrete variable was undertaken for further comparison. The change score represented a computed mean based on the change in variable over specific time periods. As responsibility was included as both a manipulated and measured variable in this particular experiment, a final set of one way repeated measures ANOVAs was undertaken focusing on responsibility. This used responsibility as a measured variable at time 2 and time 3 as well as a change score for responsibility shifts across this time period. These tests are described further in the relevant sections. Unless indicated elsewhere, significance levels were set at $p<.05$ within the different tests.

A repeated measures test was run across time periods. The dependent variables of reputation and legitimacy were measured at time 1 (only company information), time 2 (crisis event) and time 3 (assignment of responsibility). The measurement at time 1 gives a baseline measure of reputation and legitimacy for the organisation before the crisis event occurs and should not show any significant differences between subject groups as all participants have received the same information. Any change in reputation and legitimacy scores from time 1 to time 2 should be related to the crisis event and again should not show any significant differences between subject groups as all information is still similar across the groups. Significant differences should be seen across the treatment groups at time 3 as responsibility has been assigned at this point and the two different treatments used.

A repeated measures MANOVA was run incorporating both dependent variables of reputation and legitimacy. The multivariate analysis using Pillai's trace showed time was having a significant effect on reputation and legitimacy ($F(4, 102)=65.848$, $\eta p^2=.721$, $p<.05$, observed power 1.00). Level of assigned responsibility was also showing a significant effect ($F(2,104)=26.017$, $\eta p^2=.333$, $p<.05$, observed power 1.00).

As with the other experiments, further analysis was undertaken focusing on the period from time 2 to time 3 when the level of assigned responsibility became known to the participants. This analysis used computed variables for the difference in means for reputation and legitimacy from time 2 to time 3. The results of the one way MANOVA for this specific time period showed that the level of assigned responsibility was having a statistically significant effect on the changes in reputation and legitimacy ($F(2,104)=86.337$, $\eta p^2=.624$, $p<.05$, observed power 1.00).

The effects of the levels of responsibility on the two dependent variables of reputation and legitimacy at each time period were then examined separately through post hoc analysis using Tukey's HSD test.

Reputation

The full model univariate analysis showed time was having a significant effect on reputation ($F(2,104)=98.170$, $\eta p^2=.654$, $p<.05$, observed power 1.000) as was the levels of responsibility ($F(1,105)=52.331$, $\eta p^2=.333$, $p<.05$, observed power 1.000). As outlined in Table 43, reputation scores declined from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of reputation. There was no significant difference in reputation scores across the two treatment groups at time 1 ($F(1,105)=2.757$, $\eta p^2=.026$, n.s., observed power .377) or time 2 ($F(1,105)=2.317$, $\eta p^2=.022$ n.s., observed power .326) as predicted. However, a significant difference was present at time 3 as hypothesised ($F(1,105)=190.223$, $\eta p^2=.644$, $p<.05$, observed power 1.000) which confirmed the influence of assigned responsibility as having a main effect on perceptions of reputation.

Table 43: Impact of responsibility on reputation over time.

Time	Total *M*(SD)	Fully Responsible *M*(SD)	Not Responsible *M*(SD)	Mdiff (SE)
1	4.90 (.64)	4.80 (.73)	5.00 (.53)	-.206 (.124)
2	3.45 (.99)	3.60 (1.10)	3.31 (.86)	.291 (.124)
3	3.99 (1.51)	2.74(1.03)	5.17 (.77)	-2.42 (.176)*

*p<.05

The movement in the reputational means from time 2 to time 3 across the two different responsibility treatments will further confirm the influence of each treatment. The ANOVA test using the difference in reputational means from time 2 to time 3 showed that levels of responsibility was having a significant effect on the shift in reputation ($F(1,105)=146.013$, $\eta p^2=.582$, $p<.05$, observed power 1.00). The "fully responsible" treatment showed a strong significant decline in reputation scores as expected from time 2 (*M*=3.60, *SD1.10*) to time 3 (*M*=2.74, *SD*=1.03; *Mdiff* = -.86, SE=.161, p<.05). Thus, the assignment of responsibility to the organisation saw a significant decline in its reputation scores.

As outlined in Figure 28, the "not responsible" treatment showed a strong significant increase in its reputation scores as expected from time 2 (*M*=3.31, *SD.86*) to time 3 (*M*=5.17, *SD*=.77; *Mdiff* = 1.85, SE=.157, p<.05). The participants rewarded the organisation for not being responsible for the crisis event with a significant increase in its reputation score from the time of the crisis event. The additional information saw the organisation's reputation score recover to the point before the crisis event occurred ($M_{time\ 3}$=5.15, SD.77; $M_{time\ 1}$= 5.00, SD.53; *Mdiff*=.162, SE.156, n.s.).

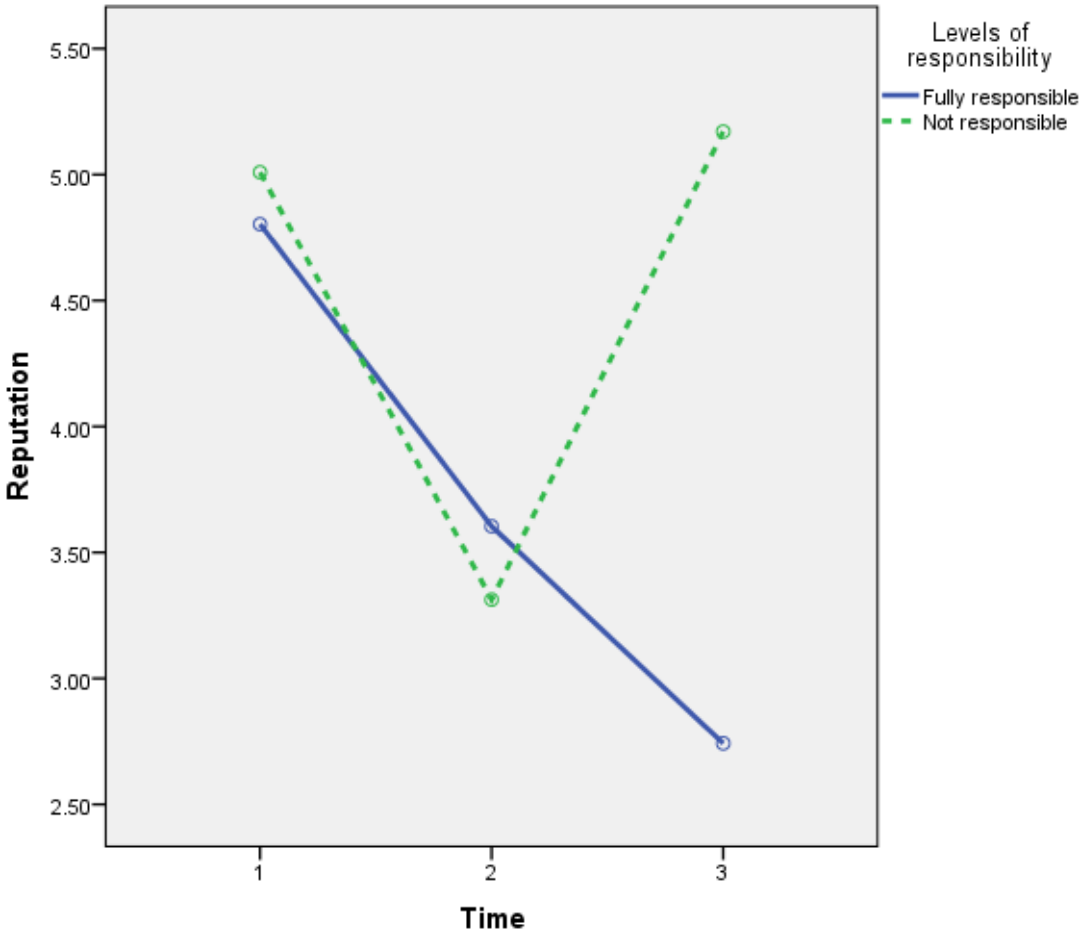

Figure 28: Impact of different levels of responsibility on reputation over time.

Legitimacy

The full model univariate analysis using Pillai's Trace showed time was having a significant effect on legitimacy ($F(2,104)=103.787$, $\eta p^2=.666$, $p<.05$, observed power 1.000) as was the levels of responsibility ($F(1,105)=33.049$, $\eta p^2=.239$, $p<.05$, observed power 1.000). As outlined in Table 44, legitimacy declined from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of legitimacy. There was no significant difference in legitimacy scores across the two treatment groups at time 1 ($F(1,105)=.032$, $\eta p^2=.000$, n.s., observed power .054) or time 2 ($F(1,105)=2.398$, $\eta p^2=.022$ n.s., observed power .335) as predicted. However, a significant difference was present at time 3 as hypothesised ($F(1,105)=145.281$, $\eta p^2=.580$, $p<.05$, observed power 1.000) which confirmed the influence of assigned responsibility as having a main effect on perceptions of legitimacy.

Table 44: Impact of responsibility on legitimacy over time.

Time	**Total *M*(SD)**	**Fully Responsible *M*(SD)**	**Not Responsible *M*(SD)**	***Mdiff* (SE)**
1	4.79 (.76)	4.77 (.83)	4.80 (.69)	-.027 (.149)
2	3.24 (.87)	3.38 (1.05)	3.12 (.65)	.261 (.168)
3	3.75 (1.37)	2.68(.94)	4.76 (.84)	-2.08 (.173)*

*p<.05

The movement in the legitimacy scores across the different responsibility treatments from time 2 to time 3 was then considered. The ANOVA test using the difference in legitimacy means from time 2 to time 3 showed that levels of responsibility was having a significant effect on the shift in legitimacy ($F(1,105)=140.657$, $\eta p^2=.573$, $p<.05$, observed power 1.00). As shown in Figure 29, the "fully responsible" treatment showed a strong significant decline as expected from time 2 (*M*=3.38, *SD1.05*) to time 3 (*M*=2.68, *SD*=.94; *Mdiff* =-.70, SE=.142, p<.05). Thus, the assignment of responsibility to the organisation saw a significant decline in its legitimacy score.

The "not responsible" treatment showed a strong significant increase in its legitimacy score as expected from time 2 (*M*=3.12, *SD.65*) to time 3 (*M*=4.76, *SD*=.84; *Mdiff* = 1.644, SE=.138, p<.05). As with reputation, the participants rewarded the organisation for not being responsible for the crisis event. Once the lack of responsibility was known, the organisation's legitimacy score recovered to the point before the crisis event occurred ($M_{time\ 3}$=4.76, SD.84; $M_{time\ 1}$= 4.80, SD.69; *Mdiff*=-.04, SE .161, n.s.).

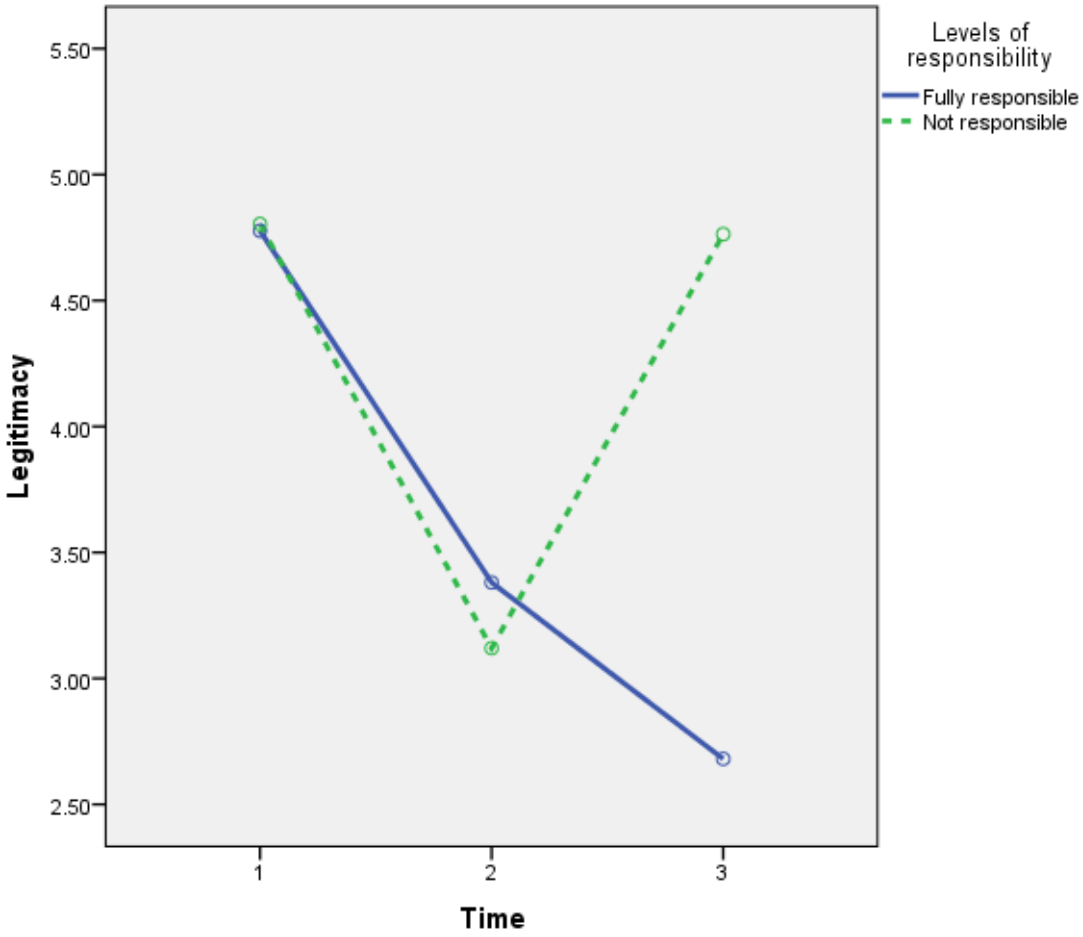

Figure 29: Impact of different levels of responsibility on legitimacy over time.

Responsibility

Assigned responsibility was manipulated as an independent variable in this experiment. However, the responsibility scale was also included in the questionnaire to consider the ability of the questions to reflect the assigned responsibility. Responsibility was measured at time 2 when the participants were assessing the level of responsibility of the crisis cluster (accident) and then again at time 3 when participants had information on the organisation's actual responsibility as assigned by the third party investigator.

A one way repeated measures ANOVA was run to assess the relationship. The full model analysis using Pillai's Trace showed time was having a significant effect on responsibility ($F(1,105)=37.119$, $\eta p^2=.261$, $p<.05$, observed power 1.000) as was the levels of responsibility in the treatment groups ($F(1,105)=186.938$, $\eta p^2=.640$, $p<.05$, observed power 1.000). As outlined in Table 45, there was no significant difference

in responsibility scores across the two treatment groups at time 2 ($F(1,105)=.093$, $\eta p^2=.001$, n.s., observed power .060) as predicted as judgments about responsibility at this point are based on the crisis event (accident) which was common to both treatments. However, a significant difference was present at time 3 ($F(1,105)=431.894$, $\eta p^2=.804$, $p<.05$, observed power 1.000). This outcome shows the manipulations were being correctly reflected in the scale questions on responsibility. This test provides confidence in the internal validity of the responsibility scale as the scale questions about responsibility are measuring stakeholder views of responsibility accurately.

Table 45: Impact of assigned responsibility in scenarios on assessed responsibility over time

Time	**Total *M*(SD)**	**Fully Responsible *M*(SD)**	**Not Responsible *M*(SD)**	***Mdiff* (SE)**
2	4.88 (1.16)	4.85 (1.17)	4.92 (1.15)	-.069 (.226)
3	4.02 (1.99)	5.85 (.90)	2.29 (.87)	-3.56 (.171)*

*p<.05

The movement in the responsibility means across the different responsibility treatments from time 2 to time 3 was then considered. The ANOVA test using the difference in responsibility means from time 2 to time 3 showed that the levels of responsibility were having a significant effect on the shift in measured responsibility ($F(1,105)=186.938$, $\eta p^2=.640$, $p<.05$, observed power 1.00). As outlined in Figure 30, the 'fully responsible' treatment showed a strong significant increase as expected from time 2 (M=4.85, *SD1.17*) to time 3 (M=5.85, SD=.90; *Mdiff* = 1.006, SE=.190, p<.05). The 'not responsible' treatment showed a strong significant decrease as expected from time 2 (M=4.92, *SD1.15*) to time 3 (M=2.29, SD=.84; *Mdiff* = -2.624, SE=.185, p<.05).

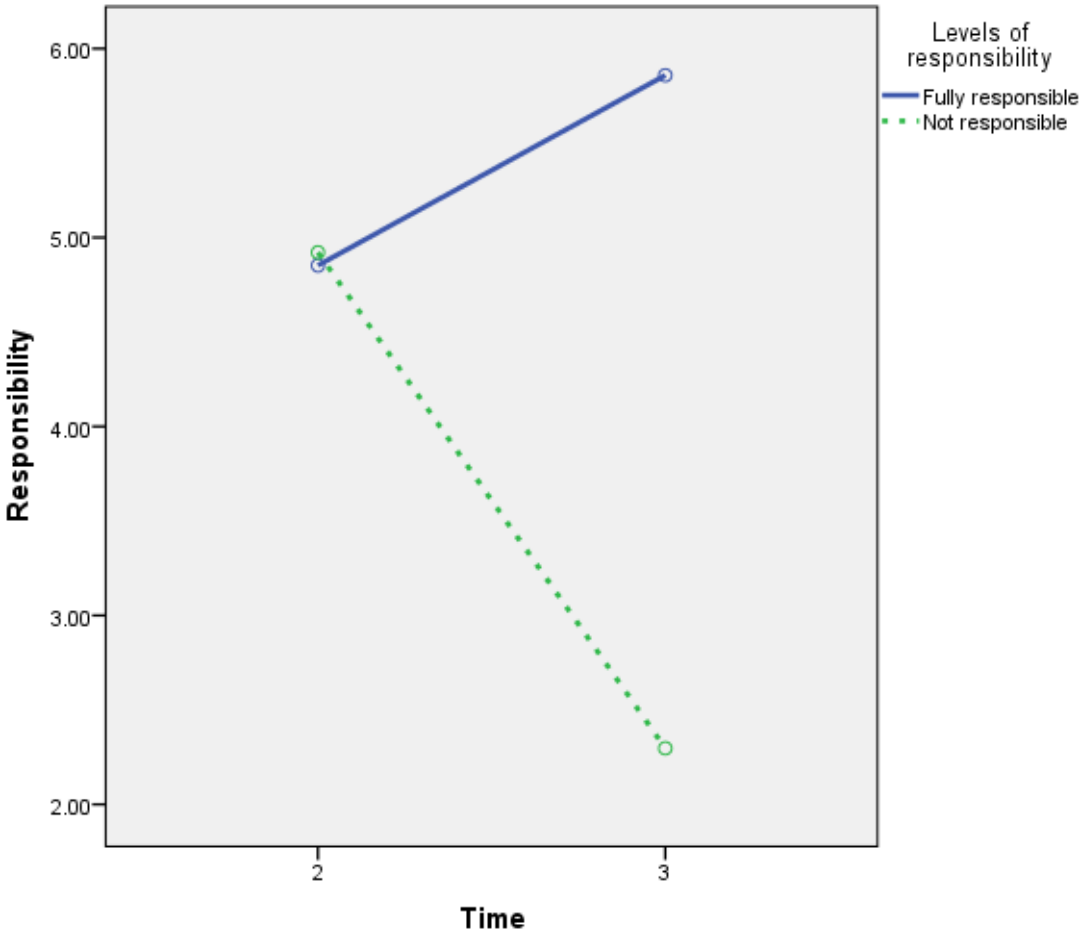

Figure 30: Changes in measured responsibility by treatment group over time

Summary of Experiment 4 Results

By manipulating responsibility as an independent variable, a strong effect size and significant relationships could be demonstrated, over and above the previous experiments where participants needed to attribute responsibility without direct information on organisational responsibility. Support was provided through the results in Experiment 4 for the internal validity of the scale items for the responsibility measure used in this study as they were accurately aligning measured responsibility through participant judgments with assigned information in the scenarios.

The results from Experiment 4 confirmed the predicted main effect of responsibility on reputation and legitimacy. The hypothesis was fully supported with the organisation that was fully responsible for the crisis event reporting significantly

lower scores for reputation and legitimacy than the organisation that was not responsible for the event. Once the assignment of responsibility was known at time 3 in the experiment, the organisation that was fully responsible saw a further decline in its reputation and legitimacy scores from the time of the crisis event. Thus, further damage to the organisation's reputation and legitimacy was caused through the assignment of responsibility.

The complete opposite was true for the organisation that was held to have no responsibility for the crisis event. Once this information was known at time 3, the organisation's reputation and legitimacy scores increased significantly from the time of the crisis event. This increase was substantial enough to return the organisation's reputation and legitimacy scores to their pre-crisis event levels, meaning no further damage to the organisation's reputation and legitimacy was evident. In real crisis events, this would represent an ideal situation for the organisation.

As with Experiments 1 – 3, the impact of the crisis event on organisational reputation and legitimacy was clearly supported in this experiment with significant declines in reputation and legitimacy scores from pre-crisis levels at time 1 to those immediately following the crisis event at time 2.

The results in Experiment 4 need to be considered in light of the assignment of responsibility by a third party. In this case, the independent assessment was done by an authority with implied power. This is different to an organisation using its response to a crisis event to either deny or accept responsibility which is likely to produce less clarity on the responsibility measure as has been seen in Experiments 1 – 3. The organisation is not seen to have independence in the presentation of information regarding the crisis event in which it is involved and this conflicted position is assessed by stakeholders in their judgments on organisational responsibility and the associated reputation and legitimacy.

Conclusion

This chapter described in detail the study's focus on responsibility in Stage Two of the research process. It has provided an analysis of the differential treatment of responsibility as a variable in Experiment 4 when compared with the other

experiments in this series and confirmed the influence of responsibility on stakeholder perceptions of reputation and legitimacy. Chapter 6 will address Stage Three of the research process that focuses on the intensifier variable of relationship history.

Chapter 6 Stage Three Results

This chapter reports the results of Stage Three of this four-stage research project. This stage of the research was designed to more closely focus on the role of relationship history in influencing stakeholder assessments of organisations and their perceived responsibility for a crisis event. The foci experiment in this stage, Experiment 5, is reported in detail including descriptions of the experiment's aims, its sample, key data analysis techniques used and the independent and dependent variables used. The results of hypothesis testing through the use of multivariate statistical analysis are outlined. Support for the hypotheses is discussed where appropriate and forms the basis for the further analysis and discussion of the research questions in Chapter 8.

Stage Three Focus

The focus for Stage Three was on the variable of relationship history which incorporates relationship character and organisational age as outlined in Chapter 2. One experiment, Experiment 5, was run to test relevant hypotheses on the effect of relationship history on the dependent variables of reputation and legitimacy and whether this effect occurred through the proposed mediator of responsibility. In addition, the experiment permitted further refinement of the scenarios to be used in the fourth and final stage of this study and provided a further check on the reliability of the scales used in the six experiments.

Research Questions

The research questions being addressed in Experiment 5 are:

> *Research Question 4*
>
> *How does an organisation's relationship history with its stakeholders influence stakeholder perceptions of its reputation and legitimacy?*
>
> *Research Question 5*
>
> *How do stakeholder perceptions of an organisation's responsibility mediate the influence of itsrelationship history on its reputation and legitimacy?*

Experiment 5 Results

Experiment 5 used a 1 (crisis cluster: accident) x 5 (4 relationship history dimensions + control) way design. The relationship history conditions involved two sub categories of organisational age (mature and new) and two sub categories of relationship character (positive and negative community relationships). As bringing these different dimensions of relationship history together in the one experiment has not been tested before, the different treatments were firstly tested separately. Thus, four different scenarios using relationship history treatments and one control scenario with no information on relationship history were developed for this experiment with an accident serving as the crisis event across all treatments (see Appendices 30 – 38). Combinations of the relationship history conditions (for example, new and negative community relationships) were tested in Experiment 6.

Only two time periods were used for Experiment 5 as there is no response to the crisis event used in this experiment. Time 1 represented the pre-crisis time period with information on the company only available at this time including the particular relationship history treatment. Time 2 represented the crisis event which included the description of the crisis and repeated the relationship history treatment.

The sample for the experiment was 281 students drawn from undergraduate and postgraduate classes. Their ages ranged from 18 – 59 years (M=25, SD 6.11) and included 57% female and 43% male respondents. Cell sizes for each of the six possible treatments ranged from 41 to 77, above the level recommended to meet the reliability measures for analysis (Bernard, 1994).

Manipulation Checks

Descriptive statistics were used to check the success of the independent variables' manipulation. The first manipulation check was conducted to determine if participants were selecting the theoretically described crisis cluster (accident) present in the scenarios. Each participant was asked whether the scenario they had read fell into the victim, accident or preventable category. The accident category was clearly identified by the participants at time 2.

Table 46: Manipulation check on crisis cluster

Time	**Manipulation Check on Crisis Cluster**	***M* (SD)**
2	Victim	3.36 (1.20)
	Accident	**5.22 (1.01)**
	Preventable	3.65 (1.00)

M>4.0=agree

A second manipulation check was conducted to determine whether participants were identifying each of the embedded conditions for organisational age and relationship character. The check was carried out at time 1 and time 2. Two descriptors had been used to reinforce the relationship character variable (praise or criticism by community leaders for the organisation's level of contribution to the community; description of different types of community contributions or lack thereof) so two questions were used for this manipulation check. The correct description was selected in each treatment category at both time periods as demonstrated in Table 47 by all means being more than 4.0 (=agree).

Table 47: Manipulation check on conditions of relationship history

Relationship History Treatment		**Time 1 *M*(SD)**	**Time 2 *M*(SD)**
Organisational age	Mature	5.09 (1.18)	4.82 (1.35)
	New	4.92 (1.38)	4.92 (1.42)
Relationship character (test question 1)	Positive	5.42 (1.49)	5.14 (1.52)
	Negative	6.18 (1.42)	6.11 (1.36)
Relationship character (test question 2)	Positive	5.88 (1.53)	5.64 (1.42)
	Negative	6.23 (1.16)	5.85 (1.73)

M>4.0=agree

Reliability Analysis

Internal reliability analyses were conducted on the items used to operationalise the two dependent measures of reputation and legitimacy and the proposed mediator of responsibility.

Responsibility was measured once and employed a three item scale adapted from Griffin, Babin and Darden (1991). The inter-item reliability for responsibility using Cronbach alpha was moderate (α = .753).

Reputation was measured across two time periods and was assessed using a five-item scale developed from McCroskey (1966) and adapted by Coombs & Holladay (1992). The inter-item reliability for reputation measured by Cronbach alpha was moderate (α = .71-.77).

Legitimacy was also measured across two time periods. The inter-item reliability for legitimacy measured by Cronbach alpha was strong (α = .88-.90).

Testing for Discrete Dependent Variables

Correlation analysis was run at each of the relevant time periods to test the association between reputation and legitimacy. Pearson *r* remained between .617 - .626 and was significant across the different scales and different time periods, thus confirming that reputation and legitimacy were strongly related.

Table 48: Correlation analysis of reputation and legitimacy across time

Time	**Reputation *M* (SD)**	**Legitimacy (Revised) *M* (SD)**	**Pearson *r***
1	4.62 (1.06)	4.75 (.91)	.617**
2	4.14 (1.01)	3.94 (.96)	.626**

** Correlation is significant at the 0.01 level (2-tailed)

Hypothesis Testing

The first part of Experiment 5 tests propositions for how different forms of the relationship history variable influence stakeholder perceptions of organisational reputation and legitimacy. While the organising research problem and Experiment 6

look at hypotheses related to the interactions of the two subcomponents of relationship history (organisational age and relationship character), Experiment 5 firstly considers each part of relationship history separately to better understand the direct impact of each component before considering interaction effects.

Relevant Hypotheses

Two hypotheses were considered in the first part of Experiment 5:

> *Hypothesis 4.1*
>
> *A mature organisation is more likely to have higher reputation and legitimacy scores than a new organisation.*
>
> *Hypothesis 4.2*
>
> *An organisation with positive prior stakeholder relationships is more likely to have higher reputation and legitimacy scores than an organisation with negative prior stakeholder relationships.*

Reputation and Legitimacy (pre-crisis)

To test these hypotheses, a one-way MANOVA was conducted to measure the impact of the 5 components of the independent variable of relationship history on the dependent variables of organisational reputation and legitimacy at time 1, prior to the introduction of the crisis event. Significant differences between the subject groups are expected as the participants have received only one of five different treatments. Two sets of comparisons are made related to the two subcomponents of organisational age and relationship character. For organisational age, there should be significant differences among mature, new and control treatments. For relationship character, there should be significant differences among positive community relations, negative community relations and control treatments. The means for reputation and legitimacy within each treatment group at time 1 are outlined in Table 49.

Table 49: Impact of relationship history components on reputation and legitimacy prior to a crisis

Treatment	**Reputation *M*(SD)**	**Legitimacy *M*(SD)**
Mature	4.69 (.98)	4.82 (.89)
New	4.54 (.67)	4.69 (.81)
Control	4.56 (1.00)	4.78 (.94)
Positive	5.27 (.91)	4.95 (.92)
Negative	3.82 (1.08)	4.45 (.91)

The multivariate analysis using Pillai's trace showed relationship history was having a significant effect on reputation and legitimacy ($F(8,552)=9.557$, $\eta p^2=.122$, $p<.05$, observed power 1.00). The univariate analysis showed significant difference among the treatments used in Experiment 5 for reputation ($F(4,276)=20.036$, $\eta p^2=.225$, $p<.05$, observed power 1.00) and legitimacy ($F(4,276)=2.788$, $\eta p^2=.039$, $p<.05$, observed power .761) at time 1. This suggests participants were being influenced by different information on a company's relationship history prior to any crisis event and this information had a considerably greater impact on the company's reputation than its legitimacy.

Posthoc analysis using Tukey's HSD test among the individual treatments showed there was no significant difference between the two treatments of organisational age on reputation or legitimacy, nor was there any difference between information on this variable and the control treatment. So while the mature treatment did have a slightly higher mean as shown in Figures 31 and 32, information on organisational age did not appear to influence judgments on reputation and legitimacy.

There was a significant difference between the two treatments of relationship character on reputation and there was also a significant difference between these treatments and the control group. Thus, information on a positive relationship provided significant benefits to the company's reputation over information on a negative relationship as well as no information at all as outlined in Figure 31. However, this was not the case for legitimacy. While there was a significant

difference between the two treatments of positive and negative relationships, there was no significant difference with the control treatment as shown in Figure 32.

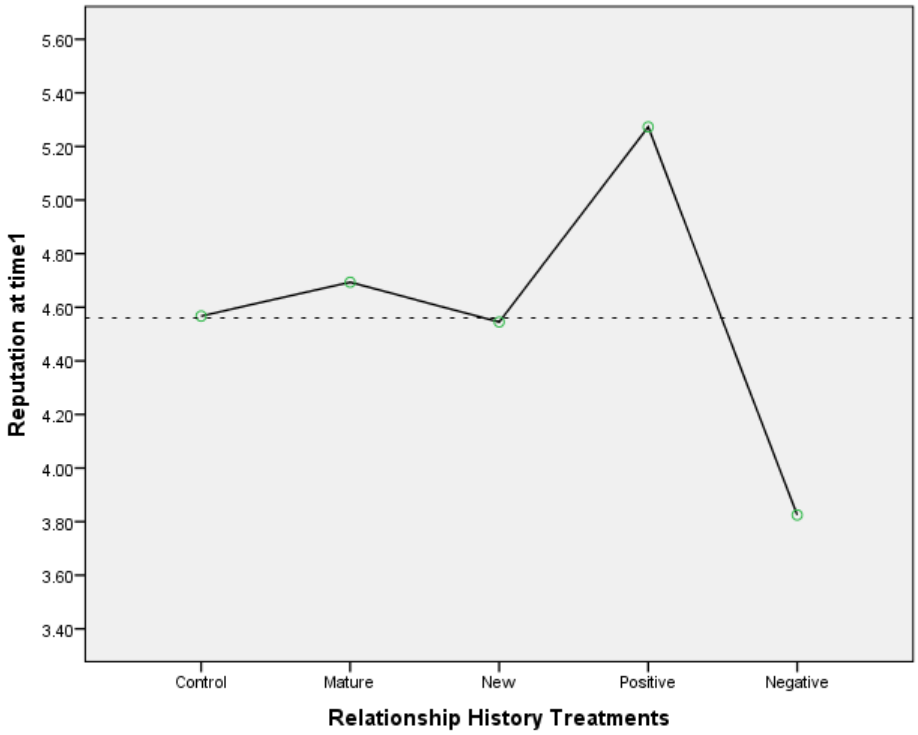

Figure 31: Impact of different components of relationship history on reputation at time 1

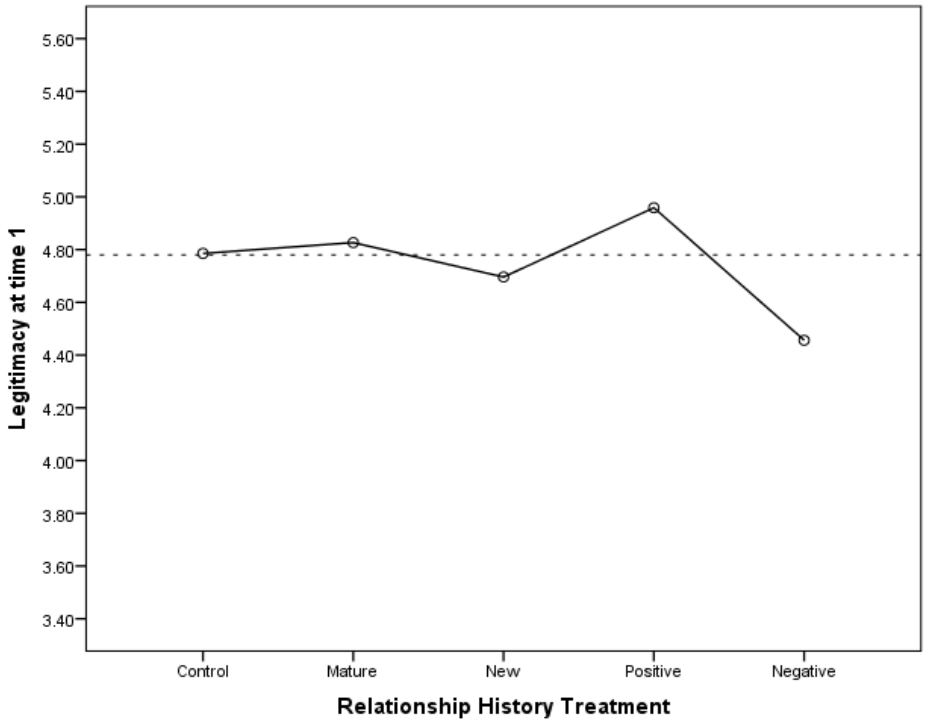

Figure 32: Impact of different components of relationship history on legitimacy at time 1

As shown in Figures 31 and 32, the mature state and the positive relationship character gave the highest scores in reputation and legitimacy, with both above the control state of no information. The new state and the negative relationship character gave the lowest scores in reputation and legitimacy, both below the control state of no information.

The second part of Experiment 5 considered the influence of responsibility as a mediator to the relationship between the components of relationship history and reputation and legitimacy. This part of the experiment required a crisis event to be introduced to ascertain organisational responsibility for the crisis.

Relevant Hypotheses

The two hypotheses being considered in this part are:

> *Hypothesis 5.1*
>
> *A new organisation is more likely to be perceived as responsible for a crisis and is less likely to maintain its reputation and legitimacy from the time of the crisis than a mature organisation.*
>
> *Hypothesis 5.2*
>
> *An organisation with negative prior stakeholder relationships is more likely to be perceived as responsible for a crisis and is less likely to maintain its reputation and legitimacy from the time of the crisis than an organisation with positive prior stakeholder relationships.*

These hypotheses were tested through a number of analyses. Firstly, the mediating variable of responsibility was measured at time 2 which is the time of the crisis event (accident). A one-way ANOVA was run to measure the impact of the 5 components of the independent variable of relationship history on responsibility at this time. Significant differences between the subject groups based on the different treatments are expected. For organisational age, there should be significant differences among mature, new and control treatments. For relationship character, there should be significant differences among the positive community relations, negative community relations and control treatments.

To assess whether responsibility was mediating the effect of relationship history on reputation and legitimacy as outlined in the earlier parts of the analysis for Experiment 5, a MANCOVA was run on the variables of reputation and legitimacy at time 2 using the scores for responsibility at time 2 when the crisis event has occurred.

Finally, a repeated measures MANOVA was run to assess any movement in the dependent variables of reputation and legitimacy from time 1 to time 2. Any movement should be related to the crisis event and should show significant differences between the subject groups based on the different treatments as outlined previously.

Responsibility

The first part of the hypotheses relates to judgments about responsibility. The one way ANOVA using Pillai's Trace as the test statistic showed no significant effect of relationship history on responsibility at time 2 ($F(4,276)=.914$, $\eta p^2=.013$, n.s., observed power .289). This may suggest that the participants were more influenced by the crisis type (accident) than the information on relationship history or the effect size is insufficient to show a significant difference.

Posthoc analysis using Tukey's HSD test among the individual treatments showed there was no significant difference between the two treatments of organisational age on responsibility, nor was there any difference between information on this variable and the control treatment. The new organisation treatment did have a higher mean for responsibility than the mature and control groups as outlined in Table 50 so the trend that the new treatment would be held more responsible appears correct but the effect size is not significant.

There was also no significant difference between the two treatments of relationship character on responsibility nor was there a significant difference between these treatments and the control group. However, the negative treatment was predicted to produce a higher level of responsibility and this group had the highest mean as outlined in Table 50. The positive relationship group mean was below that of the control treatment which suggests the correct trend but not a significant result.

Table 50: Responsibility outcomes for the different relationship history treatments

Treatment	**Responsibility *M*(SD)**
Mature	4.12 (1.15)
New	4.39 (.93)
Control	4.29 (1.05)
Positive	4.13 (1.15)
Negative	4.43 (1.39)

Without a significant main effect of relationship history on to responsibility, no mediator effect for responsibility will be seen. This was confirmed through the MANCOVA results as outlined in Table 51 which showed no change in the effect of relationship history on reputation and legitimacy with the inclusion of responsibility at time 2 as the co-variate.

Table 51: Results of MANOVA/MANCOVA using responsibility at time 2 as covariate

Variable	**df**	***F***	**Effect ηp^2**	**Observed Power**
Relationship History	8,552	10.871*	.136	1.000
Relationship History (with responsibility 2 as co-variate)	8,550	10.996*	.138	1.000
Responsibility (Time 2)	2,274	46.443*	.253	1.000

*p<.05

As a final test on the influence of relationship history on responsibility, Experiment 5 included two direct questions to participants about this influence. The participants agreed that the organisational age (*M*=4.34, SD1.33 where 4.0=agree) and relationship character (*M*=4.1, SD1.83) did influence their perception of responsibility which is supported by the trend data.

The main effect of relationship history on each of the dependent variables over time was then examined using a repeated measures MANOVA to ascertain whether there was movement in reputation or legitimacy following the crisis event. The multivariate analysis showed time was having a significant effect on reputation and legitimacy ($F(2,275)=104.621$, $\eta p^2=.432$, $p<.05$, observed power 1.00) as was relationship history ($F(8,552)=12.742$, $\eta p^2=.156$, $p<.05$, observed power 1.00). Further analysis was then undertaken on each of the dependent variables.

Reputation (post crisis)

The univariate analysis using Pillai's Trace showed time was having a significant effect on reputation ($F(1,276)=61.840$, $\eta p=.183$, $p<.05$, observed power 1.00). Looking at the different time periods, reputation declined from time 1 to time 2 suggesting information on the crisis event negatively affected perceptions of reputation (M_{time1} 4.58, *SD 1.06;* M_{time2} 4.11, *SD* 1.01; *MDiff* -.463, SE .059, $p<.05$). As reported earlier, there were significant differences in reputation scores across the five treatment groups at time 1 ($F(4,276)=20.036$, $\eta p^2=.225$, $p<.05$) and this remained significant at time 2 ($F(4,276)=19.842$, $\eta p^2=.223$, $p<.05$)**.** The reputation scores for each of the treatment groups across the time periods is displayed in Figure 33.

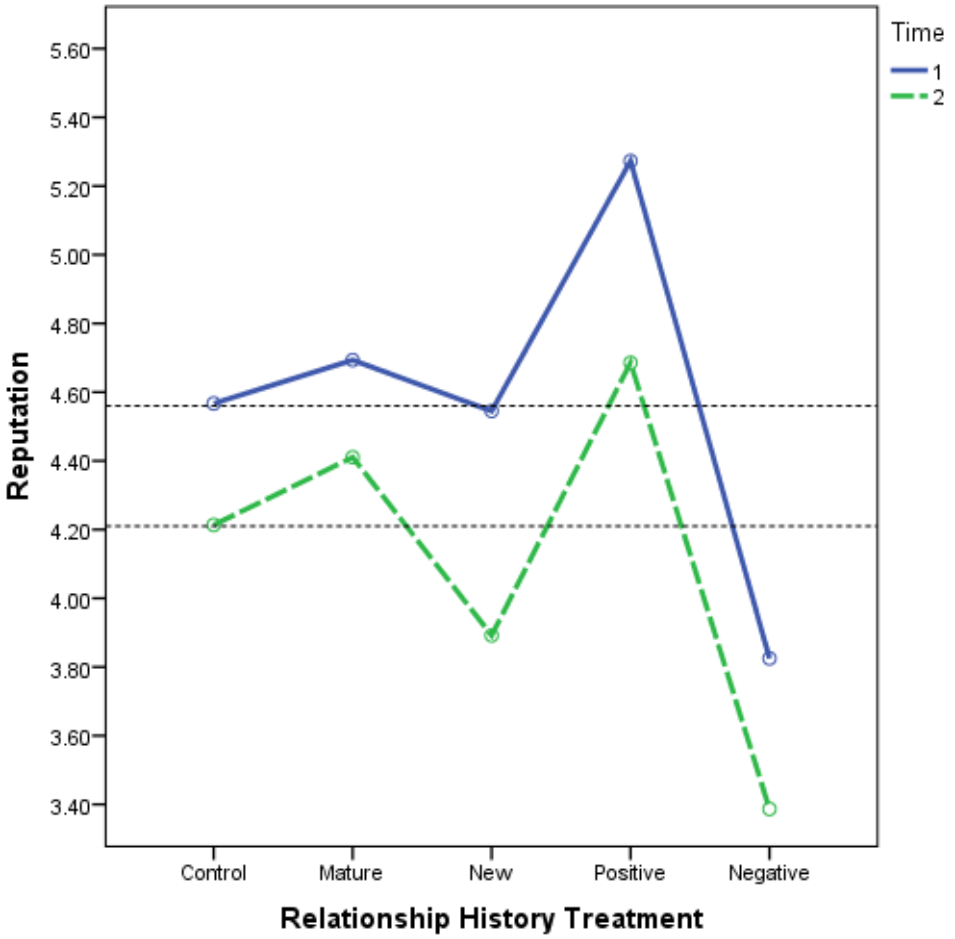

Figure 33: Impact of different components of relationship history on reputation at time 1 and time 2

The posthoc analysis using Tukey's HSD test among the individual treatments showed there was significant difference between the two treatments of organisational age on reputation at time 2 (MDiff $_{\text{mature vs new}}$=.518 (.177), p<.05), however there was no significant difference between these conditions and the control group (MDiff $_{\text{mature vs control}}$=.197 (.187), n.s.; MDiff $_{\text{new vs control}}$=-.321 (.189), n.s.). At time 2, the mature treatment had the higher mean, above both the control group and the new treatment.

There was also a significant difference between the two treatments of relationship character on reputation (MDiff $_{\text{positive vs negative}}$=1.299 (.155), p<.05), however, the difference between the treatments and the control group varied. There was a significant difference between the negative character treatment and the control group (MDiff $_{\text{negative vs control}}$=-.827 (.182), p<.05), however, not between the positive character treatment and the control group (MDiff $_{\text{positive vs control}}$=.472 (.174), n.s. Thus, information on a negative relationship was having a more significant negative

impact on reputation than information on a positive relationship and no information at all, however, information on a positive relationship was not having a significant difference to no information on this trait.

Looking across the time periods, all treatments showed a significant movement in reputational means as outlined in Table 52. The movement in the control treatment can be specifically attributed to the crisis event and the mean differential provides a measure of the damage to reputation through the event. If the mean differential of any of the treatments is less than for the control, that treatment is providing some level of protection for the organisation against the damage caused solely by the crisis event. If the mean differential is more than for the control, that treatment is not providing sufficient protection to counter the effects of the event, although different treatments may be providing greater levels of protection than others. As outlined in Table 52, the mature treatment was the only treatment that reduced the level of damage to the organisation's reputation caused through the crisis event.

Table 52: Reputation outcomes for the different relationship history components across time

Treatment	**Reputation Time 1** ***M*****(SD)**	**Reputation Time 2** ***M*** **(SD)**	**MDiff across time (SE)**
Mature	4.69 (.98)	4.41 (.98)	-.283 (.133)*
New	4.54 (.67)	3.89 (.76)	-.653 (.137)*
Control	4.56 (1.00)	4.21 (.83)	-.354 (.151)*
Positive	5.27 (.91)	4.68 (.88)	-.587 (.110)*
Negative	3.82 (1.08)	3.38 (.97)	-.438 (.125)*

*p<.05

As hypothesised, the new treatment saw a larger decline in reputation scores than the mature treatment and also saw the largest decline of any of the treatments. Thus the hypothesis that a new organisation would be less likely to maintain its reputation than a mature organisation was supported. However, the hypothesis that a negative relationship character would impact more than a positive character was not supported with a larger decline in reputation scores found for the positive character

treatment. As outlined in Figure 34, the positive character treatment did still record a higher mean overall than the negative treatment at time 2 suggesting the information on the positive community relationships was still being seen as beneficial by the participants when judging the organisation's reputation.

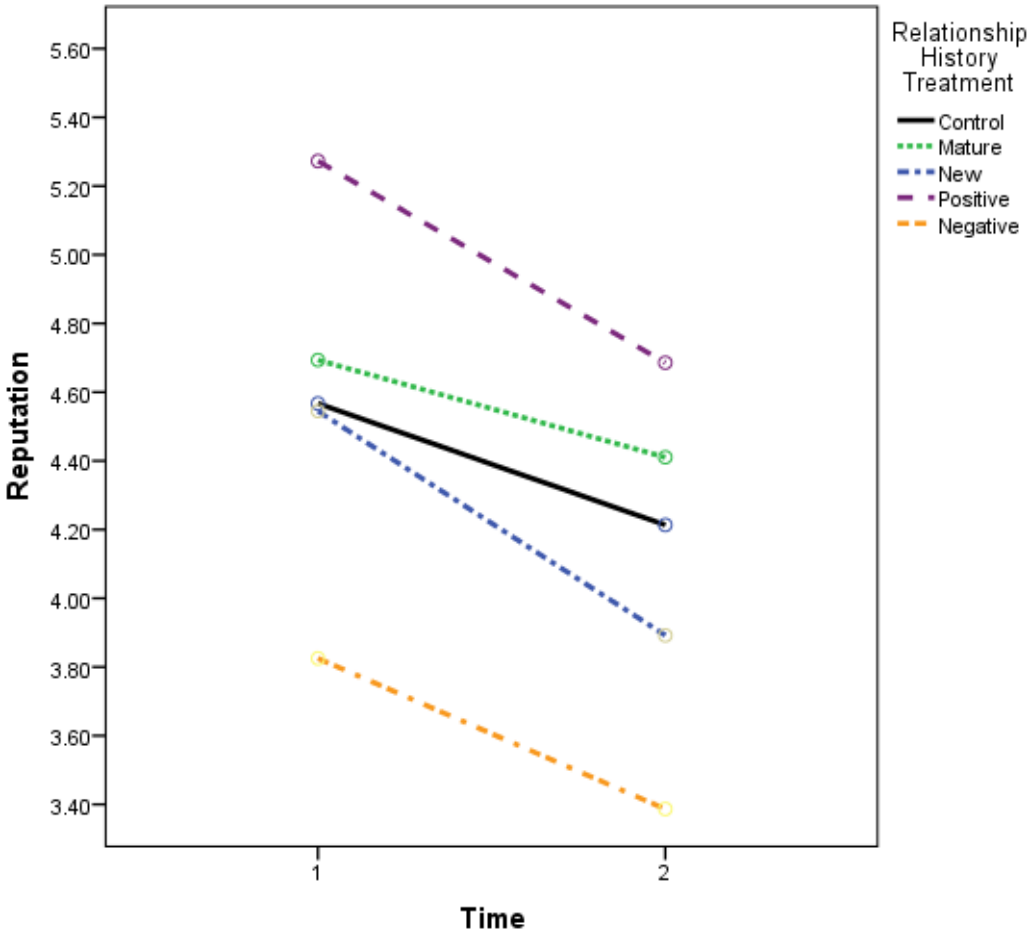

Figure 34: Impact of different components of relationship history on reputation over time

As a final test on the influence of organisational age and relationship character on reputation, participants were asked direct questions on this influence. The participants agreed that the organisational age (M=4.68, SD1.37 where 4.0=agree) and relationship character (M=5.05, SD1.60) did influence their perceptions of reputation.

Legitimacy (post crisis)

The univariate analysis using Pillai's Trace showed time was also having a significant effect on legitimacy ($F(1,276)=207.284$, $\eta p^2=.429$, $p<.05$). Legitimacy declined from time 1 to time 2 suggesting information on the crisis event negatively

affected perceptions of legitimacy (M_{time1} 4.75, *SD .911; M_{time2}* 3.90, *SD* .96; *MDiff* -.842, SE .059, p<.05). There were significant difference in legitimacy scores across the five treatment groups at time 1 ($F(4,276)=2.788$, $\eta p^2=.039$, p<.05) and this remained significant at time 2 ($F(4,276)=9.051$, $\eta p^2=.116$, p<.05) with the scores for each treatment at each time in relation to the control condition displayed in Figure 35.

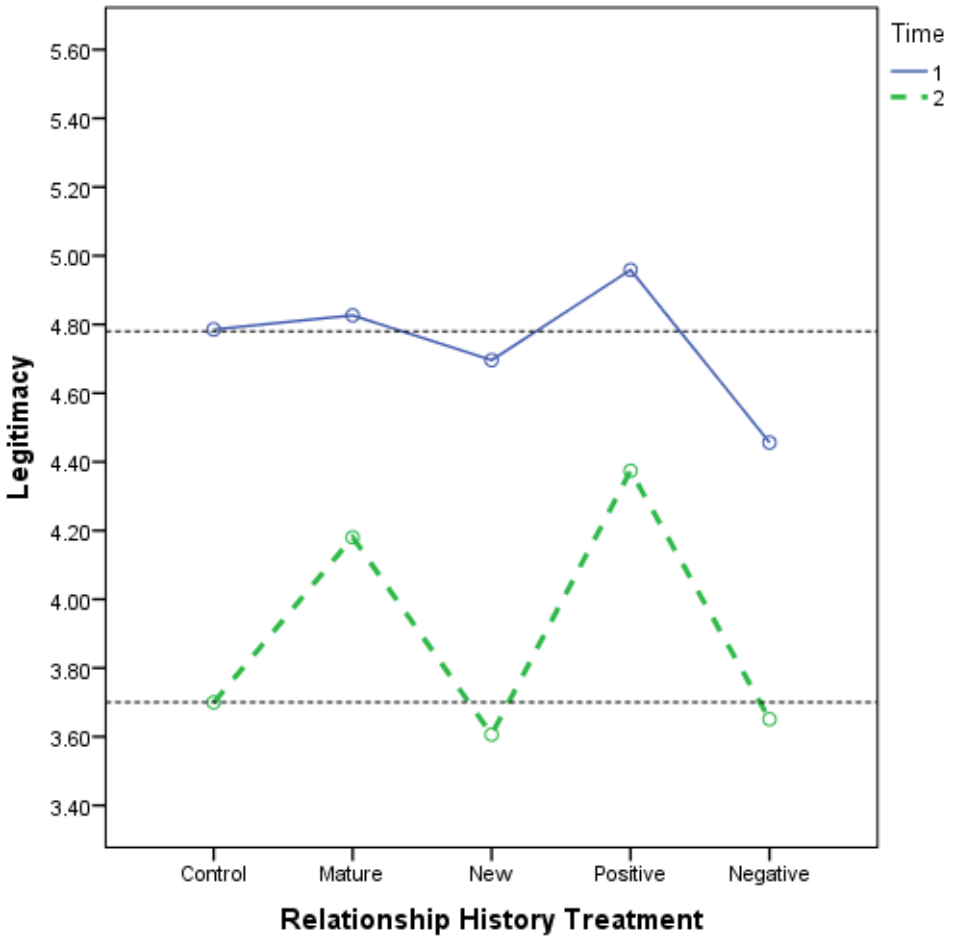

Figure 35: Impact of different components of relationship history on legitimacy at time 1 and time 2

The posthoc analysis using Tukey's HSD test among the individual treatments showed there was significant difference between the two treatments of organisational age on legitimacy at time 2 (MDiff $_{\text{mature vs new}}$=.578 (.181), p<.05), however there was no significant difference between these conditions and the control group (MDiff $_{\text{mature vs control}}$=.480 (.191), n.s.; MDiff $_{\text{new vs control}}$=-.094 (.193), n.s.). At time 2, the mature treatment had the higher mean as shown in Figure 35, above both the control group and the new treatment.

There was also a significant difference between the two treatments of relationship character on legitimacy (MDiff $_{\text{positive vs negative}}$=.723 (.158), p<.05), however, the difference between the treatments and the control group varied. There was a significant difference between the positive character treatment and the control group (MDiff $_{\text{positive vs control}}$=.674 (.177), p<.05), however, not between the negative character treatment and the control group (MDiff $_{\text{negative vs control}}$=-.049 (.186), n.s. Thus, information on a positive relationship was having a more significant favourable impact on legitimacy scores than information on a negative relationship and no information at all, however, information on a negative relationship was not showing a significant difference to no information on this trait.

Across the time periods, all treatments showed significant movements in legitimacy means as outlined in Table 53. Of note here is the larger movement in legitimacy score for the control condition compared with the movement in reputation score for this condition. The crisis event had a larger impact on stakeholder perceptions of legitimacy as evidenced by a greater shift in legitimacy scores across the time periods. The mature condition and the positive relationship condition are both providing protection against the damage to legitimacy done through the crisis event. The negative condition has also recorded a lower mean differential than the control condition, however, the difference in scores is less noticeable.

Table 53: Legitimacy outcomes for the different relationship history components across time

Treatment	**Legitimacy Time 1 *M*(SD)**	**Legitimacy Time 2 *M* (SD)**	**MDiff across time (SE)**
Mature	4.82 (.89)	4.18 (.84)	-.646 (.132)*
New	4.69 (.81)	3.60 (.86)	-1.09 (.136)*
Control	4.78 (.94)	3.70 (.83)	-1.08 (.150)*
Positive	4.95 (.92)	4.37 (.95)	-.585 (.109)*
Negative	4.45 (.91)	3.65 (1.02)	-.805 (.124)*

*p<.05

As hypothesised, the new treatment saw a larger decline than the mature treatment and also saw the largest decline of any of the treatments. Thus the hypothesis that a new organisation would be less likely to maintain its legitimacy score than a mature organisation was supported. The hypothesis that a negative relationship character would impact legitimacy scores more than a positive character was also supported with a larger decline found for the negative character treatment. The positive character treatment recorded the smallest decline of all the treatments suggesting it was protecting the organisation, followed closely by the mature treatment, thus age and positive relationships were providing a buffer to legitimacy impacts.

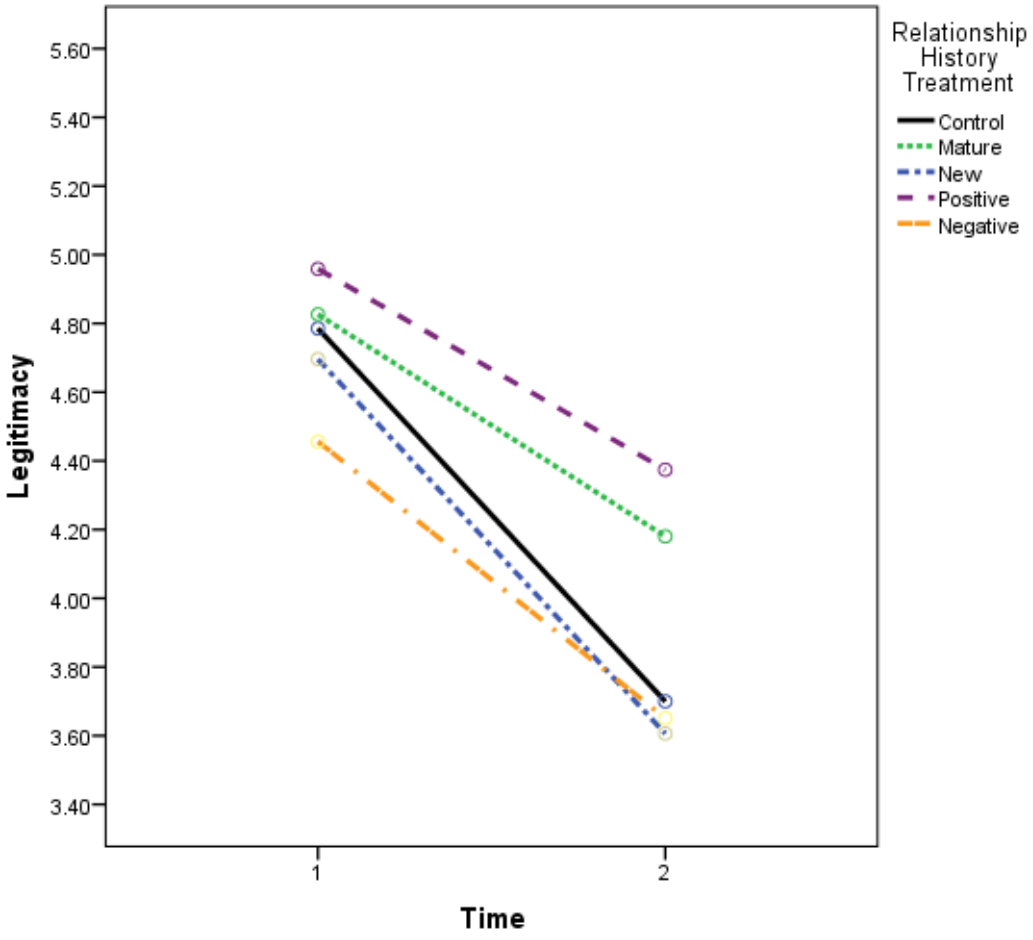

Figure 36: Impact of different components of relationship history on legitimacy over time

Participants were asked direct questions on the influence of organisational age and relationship character on legitimacy. The participants agreed that the organisational age (*M*=4.60, SD1.30 where 4.0=agree) and relationship character (*M*=4.56, SD1.78) did influence their perception of legitimacy.

Summary of Experiment 5 Results

Experiment 5 allowed for the analysis of the impact of various components of relationship history on an organisation's reputation and legitimacy prior to a crisis event and following one. As a control condition was included in this experiment, the analysis can show whether different types of information have an effect over and above no information on each of the constructs.

The results for Experiment 5 supported the influence of relationship history on reputation and legitimacy assessments prior to a crisis event with a much stronger impact on reputation than legitimacy.

The impact of information about an organisation's age did not show a significant impact on reputation and legitimacy prior to the crisis and there was no significant difference between the treatments with this information and the control condition of no information. Therefore, Hypothesis 4.1 was not supported. The trend data suggested the mature organisation was being scored more highly on reputation and legitimacy than the new organisation, however, the results were not significant.

Hypothesis 5.1 on the impact of relationship character was supported through the analysis. Prior to a crisis event, there were significant differences in the impact on reputation between the positive and negative relationship character treatments and between these and the control. Thus, the participants judged the company differently once they knew this information with a positive relationship character providing a positive impact through higher reputation assessments. There were also significant differences on legitimacy scores as predicted, however, information on relationship character in relation to no information did not show a difference.

As with the previous experiments, the crisis event had a significant effect on judgments on reputation and legitimacy with all reputation and legitimacy scores across all treatment conditions declining from pre-crisis assessment levels. Relationship history continued to have a significant impact following the crisis event. The impact on legitimacy strengthened at time 2 but remained below that for reputation.

For organisational age, there were significant differences between the mature and new conditions on reputation and legitimacy scores at time 2, however, the

differences were not significant against the control condition. The mature organisation recorded a smaller decline in reputation scores than the new organisation, thus providing partial support for Hypothesis 5.1. The mature organisation recorded the smallest decline of any of the conditions and showed a smaller decline in reputation scores than the control group which suggests the mature state of the organisation was provided some level of protection against the damage of the crisis event. In contrast, the new organisation recorded the largest decline in reputation of any of the conditions which suggests no such protective state for a new organisation. For legitimacy, the new organisation saw the largest decline of any of the treatment conditions further confirming the lack of protective powers associated with a new organisation. The mature organisation saw a significant decline but this decline was smaller than the control condition and the new organisation condition, thus further supporting Hypothesis 5.1.

For reputation and legitimacy scores following the crisis event, relationship character was having a significant effect, however, the difference between the treatments and the control condition was less clear with different outcomes for reputation and legitimacy. For reputation, information on the positive character resulted in a larger decline in reputation scores than information on the negative character which was against the predicted trend. The organisation with a positive relationship appeared to be judged more harshly for the crisis event which may suggest participants had expected the organisation to be more in control of its environment, providing better protection for its workers against the accident that was the subject of the experiment scenario. Information on the negative relationship resulted in the larger decline on legitimacy scores as predicted with information on the positive character resulting in the smallest decline in legitimacy scores of any of the treatments. Thus, only partial support for Hypothesis 5.2 was established.

While the main effect for relationship history on reputation and legitimacy was established, no such effect was established on responsibility. The new organisation and the negative character organisations recorded the highest levels of organisational responsibility for the crisis event but these were not significantly different to the other judgments, nor the control condition. Therefore, full support for Hypotheses 5.1 and 5.2 cannot be established without the mediation effect of responsibility.

While Experiment 5 tested the individual components of relationship history against each other and against a control condition, combinations of the components were tested in Experiment 6 to determine whether organisational age and relationship character interact to influence responsibility, reputation and legitimacy.

Conclusion

This chapter reported the results of the third stage of this study, describing the experimental treatment of the variable of relationship history and its subattributes of relationship character and organisational age. The statistical analysis used to unpack the influence of this variable on stakeholder perceptions of reputation and legitimacy prior to and after a crisis event was discussed and conclusions on these relationship drawn. The role of organisational responsibility for a crisis and its influence in these relationships was also described. The next chapter reports on the final stage of this study which brings together the independent and dependent variables studied in the first three stages.

Chapter 7 Stage Four Results

This chapter reports on the last of the four stages of experiments described in Chapter 3 to explore the research problem. This stage involved one experiment, Experiment 6. This experiment is described in detail including a summary of its aims, the sample accessed and the key data analysis techniques used. The independent and dependent variables used in this experiment are presented and the results of hypothesis testing through the use of multivariate statistical analysis are outlined. Support for the hypotheses is discussed where appropriate and forms the basis for the further analysis and discussion of the research questions in Chapter 8.

Stage Four Focus

Building on the results of the other three stages, Stage Four brought together all of the independent and dependent variables into the one experiment, Experiment 6. This stage's focus was on how during different crisis situations, an organisation's crisis response strategy in conjunction with its relationship history impact stakeholder perceptions of reputation and legitimacy directly through a main effect and/or indirectly through the mediator of organisational responsibility.

Research Questions

It addresses the following two research questions:

> *Research Question 6*
>
> *How does an organisation's relationship history and its response to a crisis from different crisis clusters influence stakeholder perceptions of its reputation and legitimacy?*
>
> *Research Question 7*
>
> *How does responsibility mediate the influence of an organisation's relationship history and its response to a crisis from different crisis clusters on stakeholder perceptions of its reputation and legitimacy?*

In particular, Experiment 6 extends the work of Coombs and Holladay (2001) on the operation of intensifiers in the crisis situation. Under Coombs' proposition (2004), if

a negative intensifier effect is present, organisations should move from a theoretically matched response (matching crisis cluster and response) to a step-up strategy which sees the selection of a response strategy originally designed for a higher order crisis cluster. For example, a deny strategy is theoretically predicted to match the requirements of a crisis from the victim cluster. However, if a negative intensifier effect is in operation, a strategy from the next highest cluster (diminish) should be used to match the higher level of assumed organisational responsibility (see Table 7 for full explanation of options).

The intensifier effect being tested in Experiment 6 is relationship history, with the subattributes of organisational age and relationship character. In Experiment 6, an interaction effect of the two subattributes was investigated as the individual effect of each subattribute was tested in Experiment 5.

Experiment 6 Results

Experiment 6 used a 2 (crisis cluster: victim and accident) x 2 (relationship history - organisational age: new and mature) x 2 (relationship history - relationship character: negative and positive) x 3 (response strategy: deny, diminish and deal) between subjects design. It tested the interaction of these independent variables on stakeholder perceptions of reputation and legitimacy and the proposed mediator of responsibility. Pre- and post-test design was used for the dependent variables and mediator.

Participants read a short news story outlining company information and a second news story covering a crisis event and completed the first questionnaire which measured organisational reputation and legitimacy as well as responsibility for the crisis event (Time 1). The participants then read a third news story which included information on the company's response to the crisis event and completed the second questionnaire which measured reputation, legitimacy and responsibility (Time 2). Participants then read a final news story which included information on the company's relationship history and reiterating the company's response to the crisis (Time 3). The final questionnaire was then completed which again measured reputation, legitimacy and responsibility. Manipulation checks were undertaken as appropriate within the questionnaires.

To inform the two research questions being examined in Experiment 6, specific hypotheses were investigated.

Hypothesis 6.1

In the presence of a positive intensifier, a matched strategy will at least maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

Hypothesis 6.2

In the presence of a negative intensifier, a matched strategy will not maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

Hypothesis 6.3

In the presence of a negative intensifier, a step up strategy will provide a more positive outcome than a matched strategy on stakeholder perceptions of reputation and legitimacy.

Hypothesis 7.1

In the presence of a positive intensifier, a matched strategy will at least maintain stakeholder perceptions of responsibility and subsequently will at least maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

Hypothesis 7.2

In the presence of a negative intensifier, a matched strategy will not maintain stakeholder perceptions of responsibility and subsequently will not maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

Hypothesis 7.3

In the presence of a negative intensifier, a step up strategy will provide more positive outcomes than a matched strategy for stakeholder perceptions of responsibility and subsequently provide more positive outcomes than a matched strategy on stakeholder perceptions of reputation and legitimacy.

Four possible intensifier effects of relationship history were constructed for this experiment:

1. Mature and positive relationship character
2. Mature and negative relationship character
3. New and positive relationship character
4. New and negative relationship character

Intensifier 1 is hypothesised to have the most positive effects on reputation and legitimacy as it brings together the positive attributes of maturity and positive relationships with the community. Intensifier 4 is hypothesised to have the most negative effects on reputation and legitimacy as it brings together the negative elements of the liability of newness and negative relationships with the community.

Intensifiers 2 and 3 should provide some positive effects as they have one of the positive elements of each of the subattributes of relationship history. The relative strength of the age attribute over the relationship character attribute will determine whether the combined intensifier effect is positive or negative. Inconclusive results were achieved in Experiment 5 to guide the direction of the hypothesis for these two intensifiers. Based on the results of the earlier experiments, at the time of the crisis event, intensifier 3 (new and positive) would be expected to have a more positive effect on reputation over intensifier 2 (mature and negative), however, intensifier 3 and intensifier 2 would have the same effect on legitimacy. As Experiment 5 only tested the individual components, the interaction effect of age and relationship character may result in different outcomes to those of the individual components by reinforcing either the positive or negative components of each.

The sample for the experiment was 559 students drawn from undergraduate and postgraduate classes. Their ages ranged from 18 – 63 years (*M*=24, *SD* 5.36) and included 64% female and 36% male respondents. Cell sizes for the 24 treatments ranged from 20 – 30 participants. A good balance of the different treatments of the independent variables across the sample was achieved as outlined in Table 54.

Table 54: Percentage of participants in each treatment for each independent variable

Independent Variable	**Treatments (% of sample)**
Crisis cluster	Victim 50.4% Accident 49.6%
Response strategy	Deny 33% Diminish 33% Deal 34%
Relationship character	Positive 52.6% Negative 47.4%
Organisational age	New 50.8% Mature 49.2%

Manipulation Checks

As with the previous experiments, descriptive statistics were run and a series of ANOVA tests used to check the success of the independent variables' manipulation.

The first manipulation check was conducted to determine if the participants were selecting the theoretically described crisis cluster (victim or accident) present in the scenarios (see Appendices 39,55). Significant differences were expected as each participant had only read one scenario. As outlined in Table 55, the correct cluster was clearly identified by the participants at all times through the experiment.

Table 55: Manipulation check on crisis cluster across time

Time	**Manipulation Check (Crisis Cluster)**	**Victim Crisis Cluster Scenario** ***M(SD)***	**Accident Crisis Cluster Scenario** ***M(SD)***	***F***	**df**
1	Victim	**4.87 (1.22)** ^	3.59 (1.39)	132.815*	1/556
	Accident	2.69 (1.49)	**5.28 (1.23)** ^	498.564*	1/556
2	Victim	**4.93 (1.35)** ^	3.77 (1.43)	97.005*	1/556
	Accident	2.80 (1.58)	**5.22(1.22)** ^	404.882*	1/556
3	Victim	**4.93 (1.31)** ^	3.78 (1.50)	92.013*	1/556
	Accident	3.02 (1.62)	**5.25 (1.40)** ^	294.156*	1/556

^= correct cluster *p<.05; M>4.0=agree

A second manipulation check was conducted to determine whether the participants were selecting the theoretically described strategy responses (deny, diminish, deal) as each participant only read one of the strategy types. The deny treatment involved the company using the scapegoat strategy of blaming someone else (see Appendices 40,56); the diminish treatment had the company offering an excuse (see Appendices 45,61); and the deal strategy involved the company using the compassion strategy which included offering some form of compensation (see Appendices 50,66). The check was carried out at time 2 and 3. As outlined in Table 56, participants selected the correct strategy in each treatment category with a significant difference being demonstrated among the strategies in each of the groupings.

Table 56: Manipulation check on strategy

Time	**Treatment (Response Strategy)**	**Deny** *M (SD)*	**Diminish** *M (SD)*	**Deal** *M(SD)*	***F***	**df**
2	Deny	**5.98 (1.42)** ^	3.93 (1.89)	3.50 (1.67)	115.306*	2/553
	Diminish	5.05 (1.67)	**6.06 (1.25)** ^	5.28 (1.55)	22.693*	2/553
	Deal	2.88 (1.51)	4.27 (1.45)	**5.96 (1.45)** ^	204.556*	2/553
3	Deny	**6.01 (1.39)** ^	3.87 (1.76)	3.55 (1.69)	123.329*	2/553
	Diminish	4.90 (1.65)	**5.94 (1.23)** ^	5.32 (1.51)	22.973*	2/553
	Deal	2.86 (1.49)	3.90 (1.57)	**5.83 (1.46)** ^	183.564*	2/553

^= correct strategy, **p<.05,* M>4.0=agree

Two further manipulation checks were run on each of the subcomponents of the relationship history independent variable: organisational age and relationship character. For organisational age, the manipulation question asked whether participants agreed the company had a long operating history, thus, those in the mature treatment should agree (M>4.0) and those in the new treatment should disagree (M<4.0). The correct treatment was identified with significant differences among the two groups.

Table 57: Manipulation check on organisational age

New	**Mature**	***F***	**df**
3.26 (1.73)	5.63 (1.28)	332.004*	1/551

**p<.05,* M>4.0=agree

Two relationship character questions were used to test the second manipulation for relationship history. Those in the positive treatment groups should agree with the statements (M>4.0) and those in the negative treatment groups should disagree (M<4.0). This was supported in the manipulation check with significant differences between the groups.

Table 58: Manipulation check on relationship character

Question	Positive	Negative	*F*	df
1	5.67 (1.49)	1.96 (1.33)	938.654*	1/551
2	5.83 (1.47)	1.88 (1.39)	1044.374*	1/551

**p<.05,* M>4.0=agree

Reliability Analysis

Internal reliability analyses using Cronbach α were run on the items used to operationalise the two dependent measures of reputation and legitimacy and the proposed mediator of responsibility. Tests were undertaken at each of the three time periods under study in Experiment 6 and confirmed strong internal reliability as outlined in Table 59.

Table 59: Internal reliability analysis across time

Item	Time 1 α	Time 2 α	Time 3 α
Reputation	.714	.827	.851
Legitimacy	.864	.911	.940
Responsibility	.762	.810	.840

Testing for Discrete Dependent Variables

Correlation analysis was run at each of the relevant time periods to test the association between reputation and legitimacy as outlined in Table 60. Correlation is lowest at time 1 before additional material and factors are introduced into the scenarios. As predicted, there is strong association between the variables yet some level of difference as suggested by the theoretical description of the variables is evident. This is consistent with the findings in the previous experiments.

Table 60: Correlation analysis of reputation and legitimacy across time

Time	**Reputation** ***M*** **(SD)**	**Legitimacy** ***M*** **(SD)**	**Pearson *r***
1	4.65 (.92)	4.40 (.86)	.546**
2	4.66 (1.01)	4.43 (.98)	.637**
3	4.37 (1.29)	4.36 (1.20)	.766**

** Correlation is significant at the 0.01 level (2-tailed)

Hypothesis Testing

The design of Experiment 6 proposes a four way interaction among crisis cluster, response strategy and the two components of relationship history (organisational age and relationship character). This interaction is predicted to have an effect on reputation and legitimacy as well as an indirect effect through the mediator of responsibility.

There are three different time periods in Experiment 6: time period 1 when the crisis event occurs, time period 2 where the company responds and time period 3 when the company's relationship history details are revealed in conjunction with its response. Thus, the full interaction effect should be present at time 3.

Before addressing the full interaction and hypotheses, each time period and the relevant variables will be discussed briefly to provide a foundation for the workings behind the model.

Time 1: Crisis Event

At time one, the participants were exposed to one of two crisis events from the crisis clusters of victim and accident. A one-way MANOVA analysis using Pillai's Trace as the test statistic showed that crisis cluster had a significant main effect on reputation (F (1,557)=4.706, ηp^2=.008, p<.05, observed power .581) and legitimacy(F (1,557)=39.773, ηp^2=.067, p<.05, observed power 1.000). Reputation and legitimacy scores were higher in the victim category (M_{Rep}=4.73, SD .91 M_{Leg}=4.56, SD.92) than the accident category (M_{Rep}=4.56, SD .92 M_{Leg}=4.17, SD.83)

suggesting the participants were judging the company which was seen to be the victim in the crisis incident less harshly.

Crisis cluster also had a significant main effect on judgments of responsibility for the crisis (F (1,557)=149.103, ηp^2=.211, p<.05, observed power 1.000). Less responsibility was assigned to the company who was seen to be the victim in the crisis (M_{Resp}=3.16, SD1 .16) than for the company that was seen to have suffered an accident (M_{Resp}=4.38, SD1.19). This aligns with the formulation of the crisis clusters which were originally built on levels of responsibility (see Coombs & Holladay, 2002).

Given the link between responsibility and reputation and legitimacy demonstrated in the earlier experiments, this lower judgment of responsibility for the victim category supports a higher reputation and legitimacy score which was established. Correlation analysis showed a significant correlation at the 0.01 level (2-tailed) between responsibility at time 1 and reputation (r=-.323) and legitimacy (r=-.324). Thus the more responsibility the organisation was seen to have for the crisis, the lower scores they achieved on reputation and legitimacy judgments.

The mediation effect of responsibility was confirmed through a MANCOVA analysis at time 1 as outlined in Table 61. Partial mediation was established for the multivariate analysis with a reduction in the effect size of the relationship between cluster and reputation and legitimacy following the introduction of responsibility as a co-variate.

Table 61: Results of MANOVA/MANCOVA on reputation and legitimacy using responsibility at time 1 as covariate

Variable	**df**	***F***	**Effect ηp^2**	**Observed Power**
Cluster	2,556	20.960*	.070	1.000
Cluster (with responsibility as co-variate)	2,555	11.491*	.040	.993
Responsibility (Time 1)	2,555	33.280*	.107	1.000

*p<.05

The univariate analysis displayed in Table 62 showed partial mediation for legitimacy and full mediation for reputation with the change from a significant effect on reputation to a non-significant effect following the introduction of responsibility as a covariate.

Table 62: Results of univariate analysis within MANOVA/MANCOVA on reputation and legitimacy using responsibility at time 1 as covariate

Dependent Variable	**Independent Variable**	**df**	***F***	**Effect ηp^2**	**Observed Power**
Reputation	Cluster	1,557	4.706*	.008	.581
	Cluster (with responsibility as co-variate)	1,556	2.546	.005	.357
	Responsibility (Time 1)	1,556	62.247*	.101	1.000
Legitimacy	Cluster	1,557	39.773*	.067	1.000
	Cluster (with responsibility as co-variate)	1,556	9.564*	.017	1.000
	Responsibility (Time 1)	1,556	33.793*	.057	1.000

*p<.05

Time 2: Strategy Intervention

At time 2, the company responded to the crisis event. Three responses were used across the participant groups: a response that denied responsibility and passed the blame to another organisation; a response that diminished responsibility by offering an excuse for the incident and lack of intention; and a response that dealt with the crisis by offering compassion for those involved and compensation. A one-way MANOVA was undertaken to assess the impact of crisis cluster and response strategy on reputation and legitimacy.

Response strategy had a significant main effect on reputation (F (2,556)=37.634, ηp^2=.119, p<.05) and legitimacy (F (2,556)=10.022, ηp^2=.035, p<.05) at time 2. For reputation, the most accommodative strategy of dealing with responsibility through compensation saw the highest score on reputation ($M_{RepDeal}$ =5.10, SD 1.1) with the denial strategy resulting in the lowest score ($M_{RepDeny}$=4.17, SD1.03). For legitimacy, the denial strategy also resulted in the lowest score ($M_{LegDeny}$=4.17, SD.98), however, the diminish ($M_{LegDiminish}$=4.58, SD.97), and deal ($M_{LegDeal}$=4.55, SD.93) responses resulted in similar outcomes.

Crisis cluster had a significant main effect on legitimacy (F (1,557)=21.308, ηp^2=.037, p<.05, observed power .996) but not reputation (F (1,557)=1.508, ηp^2=.003, n.s., observed power .232) at time 2, providing further support for the theoretical claims of differences in the dependent variables.

Using Pillai's trace in a multivariate analysis of variance, there was a significant two-way interaction effect between the crisis cluster and the response strategy at time 2 for legitimacy (F (2,553)=3.34, ηp^2=.01, p<.05, observed power .631) but not for reputation (F (2,553)=2.687, ηp^2=.01, n.s., observed power .532) as expected given the lack of main effect. The means for each of the clusters and strategies on reputation and legitimacy are displayed in Table 63.

For legitimacy, the deal strategy run by a company in the victim category ($M_{LegDealVictim}$=4.86, SD.85) resulted in a much more favourable score than the same strategy in the accident category ($M_{LegDealAccident}$=4.24, SD.92). Given the match strategy for the victim category is deny, the two step up strategy of deal is having the strongest benefit in terms of producing higher legitimacy scores.

The diminish strategy also led to different outcomes for legitimacy scores in the different categories. The diminish strategy in the victim category ($M_{LegDiminishVictim}$=4.77, SD.96) produced a much more favourable score than the diminish strategy in the accident category ($M_{LegDiminishAccident}$=4.38, SD.94). The diminish strategy is the match strategy for the accident category so should provide some level of protection to the company's legitimacy, however, the diminish strategy for the victim category is a step up strategy, suggesting the additional approach by the company in responding to the crisis was rewarded by the participants.

Table 63: Reputation and legitimacy scores for each strategy within each crisis cluster at time 2

Crisis Cluster	**Strategy**	**Reputation *M* (SD)**	**Legitimacy *M*(SD)**
Victim	Deny*	4.20 (.96)	4.23 (.95)
	Diminish	4.65 (.98)	4.77 (.96)
	Deal	5.30 (1.06)	4.86 (.85)
Accident	Deny	4.15 (1.09)	4.11 (1.01)
	Diminish*	4.74 (.92)	4.38 (.94)
	Deal	4.91 (1.12)	4.24 (.92)

*=Match strategy, M=4.0= agree

As outlined in Table 63, the matched strategy of deny in the victim category provided the least favourable score for reputation and legitimacy with the step up strategies of diminish (one step up) and deal (two steps up) providing more favourable outcomes.

The matched strategy of diminish in the accident category provided more favourable scores than the step down strategy of deny, however the step up deal strategy only provided a more favourable outcome on reputation.

Across Time Periods 1 and 2: Reputation and Legitimacy

By using the repeated measures analysis, the protective powers of the strategy can be assessed. At time 1, the company has suffered damage to its reputation and legitimacy through the crisis event. The response strategy run by the company at time 2 will either increase this damage leading to lower scores for reputation and legitimacy than at time 1, reduce this damage leading to higher scores for reputation and legitimacy than at time 1 or have no effect which should see a maintenance of scores across the time periods. A MANOVA analysis on the computed variables for the change in reputation and legitimacy scores across the time periods showed strategy was having a significant effect on the change in these variables (F (4,1106)=13.094, ηp^2=.045, p<.05, observed power 1.000) with the largest effect being seen on the change in reputation (F (2,553)=26.776, ηp^2=.088, p<.05,

observed power 1.000) compared with the change in legitimacy (F (2,553)=4.235, ηp^2=.015, p<.05, observed power .741). Each of the variables of reputation and legitimacy have been examined separately.

Looking first at the victim cluster, the matching deny strategy has been hypothesised to maintain the reputation scores, that is, do no further damage to the company's reputation. This is a minimum requirement for a recommended strategy with any increase in reputation scores seen as an additional benefit. As outlined in Table 64, there was a significant decline in reputation score from time 1 to time 2 for the match strategy of deny so the hypothesis was not supported. The deny strategy did not do enough in meeting stakeholder expectations and therefore could not protect the company's reputation. However, the one step up diminish strategy did maintain the reputation score therefore no further damage to the company was caused by implementing the diminish strategy. The two step up strategy of dealing with responsibility provided the most benefits to the company in terms of reducing the reputational damage from the crisis event. There was a significant increase in reputation scores following the implementation of the deal strategy so the participants rewarded the company for doing more than was expected.

In the accident cluster, the match strategy of diminish did maintain the reputation score as outlined in Table 64, therefore no further damage was suffered by the organisation. The reputation score saw a small absolute change of .03 at a non significant p level of .325. The deny strategy which is an insufficient strategy under the model saw a significant decline in reputation scores from time 1 to time 2 as predicted. Therefore, the participants were punishing the company for running an insufficient strategy. The step up strategy of dealing with responsibility saw a significant increase in reputation scores as predicted. This means participants rewarded the company for doing more than was required and this strategy provided the highest protection of the organisation's reputation.

Table 64: Difference in reputation and legitimacy mean scores across time periods 1 and 2

Dependent Variable	**Crisis Cluster**	**Response Strategy**	**Mean Difference (Standard Error)** **Time 2 – Time 1**
Reputation	Victim	Deny	-.458 (.10)*
		Diminish	.013 (.10)
		Deal	.404 (.10)*
	Accident	Deny	-.264 (.10)*
		Diminish	.037 (.10)
		Deal	.345 (.10)*
Legitimacy	Victim	Deny	-.206 (.07)*
		Diminish	.081 (.07)
		Deal	.130 (.07)
	Accident	Deny	.022 (.08)
		Diminish	.071 (.08)
		Deal	.126 (.07)

*p<.05 (-ve score = reduction in scores over time)

The second examination was on the dependent variable of legitimacy as also outlined in Table 64. Within the victim cluster, the matching deny strategy failed to protect the company from further damage with a significant decline in legitimacy scores from time 1 to time 2. As with reputation, the one step up diminish strategy was needed to maintain the score therefore no further damage to the company's legitimacy was caused by implementing the diminish strategy. However, unlike reputation, no further benefit was brought to the company from the two step up strategy of dealing with responsibility with a non-significant result for change in legitimacy score from time 1 to time 2. The change was in the predicted direction but did not meet the significance test.

In the accident cluster, the match strategy of diminish did maintain the legitimacy score with a small change in absolute levels of .07 at p=.265, therefore no further damage was suffered by the organisation. However, there was no significant shift in scores for the other two strategies either. On trend data, the step up strategy of dealing with responsibility saw the largest increase but it was not significant.

Time 2: Impacts on Responsibility

The final examination at time 2 was for responsibility. Of interest here was whether the organisational strategy implemented changed the attributions of responsibility driven by the crisis itself.

Crisis cluster continued to have a significant main effect on responsibility (F (1,553)=43.933, ηp^2=.07, p<.05, observed power 1.00) which was established in time 1. Lower judgments of responsibility were evident in the victim category (M=3.271 SD1.20) compared with the accident category (M=3.95 SD1.27).

Response strategy, however, did not have a significant main effect on responsibility (F (2,553)=1.105, ηp^2=.004, n.s., observed power 1.00) at time 2 and there was no significant two-way interaction for cluster and strategy (F (2,553)=1.715, ηp^2=.006, n.s., observed power .361). Within each strategy, cluster is having an effect but there is no main effect of strategy on responsibility.

Looking at the trend data, the greatest difference in responsibility scores at time 2 was evident in the victim category between the deny strategy (M=3.39 SD1.23) and the deal strategy (M=3.05 SD1.22). These represent the two extremes of the response categories and therefore should provide the most difference.

The lowest level of responsibility across the set was in the victim category for the deal strategy which suggests the participants saw the company offering compensation and compassion for victims as a goodwill gesture rather than a claim to responsibility. The highest levels of responsibility were assigned to the accident category for the matched diminish strategy and the one step up deal strategy. This suggests participants are assessing the deal strategy in particular within the context of crisis cluster and a univariate analysis of the deal strategy did show a significant contrast between the victim category and the accident category for this strategy (F (1,553)=27.224, ηp^2=.047, p<.05, observed power .999). When run in the victim

category, the deal strategy is seen as suggesting goodwill (*M*=3.05 SD 1.22) however when it is run in the accident category, it appears to be being seen as an acceptance of responsibility with a higher mean for organisational responsibility (*M*=3.98, SD 1.30).

Correlation analysis showed a significant correlation at the 0.01 level (2-tailed) between responsibility at time 2 and reputation (*r*=-.481) and legitimacy (*r*=-.499). Thus the more responsibility the organisation was seen to have for the crisis, the lower scores they achieved on reputation and legitimacy judgments. This association was stronger at time 2 than time 1 which suggests there is some impact of strategy influencing participants' decisions.

The mediation effect of responsibility at time 2 was assessed through a MANCOVA analysis as outlined in Table 65. As with time 1, partial mediation was established for the multivariate analysis with a reduction in the effect size of the relationship between cluster and reputation and legitimacy following the introduction of responsibility as a co-variate.

Table 65: Results of MANOVA/MANCOVA on reputation and legitimacy using responsibility at time 2 as covariate

Variable	**df**	***F***	**Effect ηp^2**	**Observed Power**
Cluster	2,556	13.157*	.045	.998
Cluster (with responsibility as co-variate)	2,555	7.794*	.027	.951
Responsibility (Time 2)	2,555	108.182*	.280	1.000

*p<.05

The univariate analysis displayed in Table 66 showed the impact on legitimacy was primarily impacting the mediation results. This confirms the earlier analysis which did not support a main effect of cluster on reputation at time 2. Full mediation for legitimacy was established with the change from a significant effect on legitimacy to a non-significant effect following the introduction of responsibility as a covariate.

Table 66: Results of univariate analysis within MANOVA/MANCOVA on reputation and legitimacy using responsibility at time 2 as covariate

Dependent Variable	**Independent Variable**	**df**	***F***	**Effect ηp^2**	**Observed Power**
Reputation	Cluster	1,557	1.508	.003	.232
	Cluster (with responsibility as co-variate)	1,556	4.813*	.009	.591
	Responsibility (Time 2)	1,556	171.608*	.236	1.000
Legitimacy	Cluster	1,557	21.308*	.037	.996
	Cluster (with responsibility as co-variate)	1,556	2.600	.005	.363
	Responsibility (Time 2)	1,556	160.419*	.224	1.000

*p<.05

As no significant relationship between strategy and responsibility was established earlier, MANCOVA tests were not run for strategy, nor the two-way interaction of strategy and cluster.

Across Time Periods 1 and 2: Responsibility

As with reputation and legitimacy, a repeated measures analysis was used to assess the protective powers of the strategy on levels of responsibility. At question here is whether the strategy has increased the levels of responsibility attributed to the company, reduced these levels or had no effect. This should be evidenced by increases or decreases in responsibility scores from time 1 to time 2. These results are outlined in Table 67.

Table 67: Difference in responsibility mean scores across time periods 1 and 2

Dependent Variable	**Crisis Cluster**	**Response Strategy**	**Mean Difference (Standard Error)** $M(SE)_{Time\ 2} - M(SE)_{Time\ 1}$
Responsibility	Victim	Deny	.156 (.123)
		Diminish	.326 (.122)*
		Deal	-.154 (.122)*
	Accident	Deny	-.385 (.124)*
		Diminish	-.471 (.124)*
		Deal	-.414 (.122)*

*p<.05; a negative score means a reduction in responsibility

Within the victim cluster, the match strategy of denial maintained responsibility at the level first assessed by the crisis cluster with a nonsignificant increase as predicted. The step up strategy of diminish saw a significant increase in the assessments of responsibility by the participants. However, the two step up strategy saw a significant decrease in judgments of responsibility. For the accident cluster, all strategies saw significant declines in judgments of responsibility.

A summary of the relationships established through the analysis of the impacts on reputation, legitimacy and responsibility across time 1 and time 2 is outlined in Table 68. As can be seen in this table, legitimacy is impacted less than reputation over this time period.

Table 68: Summary of associations from time 1 to time 2

Crisis Cluster	**Response Strategy**	**Change in Responsibility (Time 1-2)**	**Change in Reputation (Time 1-2)**	**Change in Legitimacy (Time 1-2)**
Victim	Deny^	Maintain	Decrease*	Decrease*
	Diminish	Increase*	Maintain	Maintain
	Deal	Decrease*	Increase*	Maintain
Accident	Deny	Decrease*	Decrease*	Maintain
	Diminish^	Decrease*	Maintain	Maintain
	Deal	Decrease*	Increase*	Maintain

^=matched strategy, *p<.05 = significant movements

Time 3: Exposure to the Intensifier Effect

At time 3, the focus is on the full interaction effects of the independent variables of crisis cluster, response strategy and the two dimensions of relationship history through relationship character and organisational age. These effects will operate on judgments of reputation and legitimacy either directly or through the proposed mediator of organisational responsibility.

Comparisons of these effects can be made at time 3 as well as through an assessment of changes in the dependent variables and the mediator across the different time periods in the experiment. The repeated measures analysis helps provide a more detailed understanding of the impacts by assessing the changes and influences at each point in time.

A MANOVA using Pillai's trace as the test statistic with the dependent variables of reputation and legitimacy showed significant main effects at time 3 for all independent variables: crisis cluster (F (2,528)=11.79, ηp^2=.043, p<.05, observed power .995), response strategy (F (4,1058)=9.896, ηp^2=.036, p<.05, observed power 1.000), relationship history: relationship character (F (2,528)=2.00, ηp^2=.334, p<.05, observed power 1.000) and relationship history: organisational age (F (2,528)=3.057, ηp^2=.011, p<.05, observed power .590).

The univariate analysis using Pillai's trace was then examined to identify differences between impacts on reputation and legitimacy. The results of this analysis are outlined in Table 69. Crisis cluster had a significant main effect on legitimacy but not reputation. Response strategy had a significant main effect on reputation but not legitimacy. Relationship character and age had significant main effects on both variables.

Significant interactions were then examined. The two way interaction between the two subcomponents of relationship history was significant on both reputation and legitimacy. The four way hypothesised interaction among crisis cluster, strategy, and the two sub attributes of relationship history (relationship character and organisational age) had a significant effect on legitimacy at time 3 but not reputation. No other interactions met the significance test at $p<.05$.

Table 69: Effects of independent variables on reputation and legitimacy at time 3

Independent Variable (s)	**Dependent Variable (Time 3)**	**df**	***F***	**Effect size ($\eta p^{2)}$**	**Observed Power**
Crisis Cluster	Reputation	1/529	.525	.001	.112
	Legitimacy	1/529	15.959*	.029	.979
Response Strategy	Reputation	2/529	10.964*	.040	.991
	Legitimacy	2/529	2.578	.010	.514
Relationship Character	Reputation	1/529	231.406*	.304	1.000
	Legitimacy	1/529	217.323*	.291	1.000
Organisational Age	Reputation	1/529	3.869*	.007	.501
	Legitimacy	1/529	5.984*	.011	.685
RelChar * Age	Reputation	1/529	4.876*	.009	.596
	Legitimacy	1/529	3.613*	.007	.550
Cluster*Strategy*RelChar*Age	Reputation	2/529	1.779	.007	.373
	Legitimacy	2/529	3.800*	.014	.691

*p≤.05

Crisis Cluster

For crisis cluster, reputation scores at time 3 were similar across the two clusters ($M_{RepVictim}$=4.38, SD 1.30 $M_{RepAccident}$=4.36, SD1.27) whereas the legitimacy score for the victim category was significantly higher than that for the accident category ($M_{LegVictim}$=4.50, SD 1.17 $M_{LegAccident}$=4.22, SD1.21) which continued the trend for legitimacy from time 2.

Response Strategy

For response strategy, the deny strategy resulted in the lowest reputation score at time 3 and the deal strategy saw the highest reputation score ($M_{RepDeny}$=4.11, SD 1.23 $M_{RepDeal}$=4.53, SD1.34). For legitimacy, however, the deal strategy saw the lowest score and the diminish strategy resulted in the highest legitimacy score. ($M_{LegDeal}$=4.25, SD 1.18 $M_{LegDiminish}$=4.45, SD1.22).

Table 70 brings together the cluster and response strategy outcomes for reputation and legitimacy at time 3. The matched strategy of denying responsibility in the victim category resulted in the lowest reputation and legitimacy scores whereas the matched strategy in the accident category saw the highest reputation and legitimacy scores.

Table 70: Reputation and legitimacy scores across different clusters and responses at time 3

Cluster	**Strategy**	**Reputation *M*(SD)**	**Legitimacy *M*(SD)**
Victim	Deny^	4.14 (1.26)	4.39 (1.17)
	Diminish	4.36 (1.29	4.68 (1.21)
	Deal	4.38 (1.30)	4.44 (1.12)
Accident	Deny	4.08 (1.20)	4.20 (1.21)
	Diminish^	4.54 (1.20)	4.39 (1.21)
	Deal	4.44 (1.35)	4.07 (1.21)

^= Match strategy

Relationship History

Significant differences among the four potential intensifiers of relationship history can be examined across the complete sample and within each cluster for each of the dependent variables.

Across the sample, there is a significant difference among the predicted most positive intensifier (Intensifier 1: mature and positive relationship character) and the predicted most negative intensifier (Intensifier 4: new and negative relationship character) on reputation and legitimacy. The difference between these two combinations is outlined in Table 71. The negative intensifier is resulting in a significantly lower reputation and legitimacy score than the positive intensifier at time 3.

Table 71: Comparison of positive and negative intensifiers on reputation and legitimacy

Dependent Variable	**Intensifier 1 (positive intensifier)** ***M*(SE)**	**Intensifier 4 (negative intensifier)** ***M*(SE)**	**MDiff (SE)**
Reputation	5.222 (.088)	3.643 (.091)	1.58 (.127)*
Legitimacy	5.147 (.08)	3.662 (.08)	1.48 (.12)*

*p<.05

Other significant differences were found among the four combinations. The largest significant differences between the combinations on each of the dependent variables are represented in Table 72. The relationship character trait is present in more of the significant differences than the age trait suggesting it is having the largest impact of the two subattributes of relationship history. The interaction of age and relationship character is also present in the significant differences.

Table 72: Comparison of the largest significant differences among intensifiers on reputation and legitimacy

Dependent Variable	**Intensifier (A)**	**Intensifier (B)**	**MDiff (A-B)**	**Traits showing difference**
Reputation	Mature and negative	Mature and positive	-1.59*	Relationship character
	New and negative	Mature and positive	-1.54*	Age Relationship character
	Mature and negative	New and positive	-1.29*	Age Relationship character
Legitimacy	New and negative	Mature and positive	-1.46*	Age Relationship character
	Mature and negative	Mature and positive	-1.41*	Relationship character
	New and negative	New and positive	-1.15*	Relationship character

*p<.05

Differences within each cluster were then examined. Within the victim crisis cluster, the lowest reputational score was for the mature and negative character treatment (*M*=3.54 SD 1.06) and the highest was for the mature and positive character treatment (*M*=5.34 SD 1.02). The lowest legitimacy score was for the new and negative character treatment (*M*=3.79 SD 1.01) and the highest was for the mature and positive character treatment (*M*=5.31 SD.97).

Within the accident crisis cluster, the lowest reputational score was for the mature and negative character treatment (*M*=3.64 SD 1.16) and the highest was for the mature and positive treatment (*M*=5.1 SD 1.2). The lowest legitimacy score was for the mature and negative character treatment (*M*=3.45 SD .90) and the highest was for the mature and positive character treatment (*M*=4.97 SD 1.10).

Thus the most positive intensifier (Intensifier 1: mature and positive) provided the best outcome for reputation and legitimacy in both crisis clusters as predicted. The most negative intensifier varied between the new and negative combination (Intensifier 4) as predicted and the mature and negative combination (Intensifier 2).

When examining the impact of relationship history when used with different strategies at time 3, there is a significant difference among the predicted most negative intensifier (Intensifier 4: new and negative relationship character) and the predicted most positive intensifier (Intensifier 1: mature and positive relationship character) on reputation and legitimacy. The difference between these two combinations when used in each of the three strategies is outlined in Table 73. The negative intensifier (Intensifier 4) is resulting in a significantly lower reputation and legitimacy score in each of the strategies than the positive intensifier (Intensifier 1) at time 3 as expected.

Table 73: Comparison of different strategy types and positive and negative intensifiers on reputation and legitimacy at time 3

Dependent Variable	**Strategy**	**Intensifier 1 (positive intensifier)** ***M*(SE)**	**Intensifier 4 (negative intensifier)** ***M*(SE)**	**MDiff (SE) (1-4)**
Reputation	Deny	4.89 (1.02)	3.43 (.97)	1.46 (.219)*
	Diminish	5.28 (1.11)	3.66 (.89)	1.62(.218) *
	Deal	5.49 (1.19)	3.84 (1.09)	1.65 (.218)*
Legitimacy	Deny	5.05 (.99)	3.59 (1.05)	1.46 (.209)*
	Diminish	5.25 (1.04)	3.79 (.95)	-1.46 (.209)*
	Deal	5.10 (1.15)	3.63 (.90)	-1.47 (.209)*

*p<.05

Interaction Effects at Time 3

At time 3, the participants have been exposed to the cluster, the strategy and the relationship history intensifier treatments which combined the two subattributes. A significant interaction of these four independent variables was established for

legitimacy, however, the significance test was not fulfilled for the impact on reputation. Significant interactions were also established for relationship character and age on both reputation and legitimacy as outlined in Table 69. The different combinations within the 24 scenarios produced for Experiment 6 (see Appendices 41-44; 46-49; 51-54; 57-60; 62-65; 67-70) will now be discussed in preparation for the full hypotheses tests.

As outlined in Table 74, there are significant differences between the most positive intensifier (Intensifier 1: mature and positive relationship character) and the most negative intensifier (Intensifier 4: new and negative relationship character) on reputation and legitimacy in each of the crisis clusters and across each response strategy. The presence of the negative intensifier always resulted in a significantly lower reputation and legitimacy score than when the participant has been exposed to the positive intensifier.

Table 74: Differences in reputation and legitimacy means between intensifier 1 and 4

Dependent Variable	**Cluster**	**Strategy**	**Intensifier 1 (positive)** ***M*****(SD)**	**Intensifier 4 (negative)** ***M*****(SD)**	**MDiff (SE)**
Reputation	Victim	Deny^	5.00 (1.26)	3.59 (1.13)	1.41 (.317)*
		Diminish	5.25 (1.24)	3.40 (.90)	1.85(.323) *
		Deal	5.76 (.80)	3.93 (1.16)	1.650 (.218)*
	Accident	Deny	4.80 (1.13)	3.28 (.77)	1.51 (.304)*
		Diminish^	5.30 (1.03)	3.93 (.80)	1.37 (.299)*
		Deal	5.20 (1.47)	3.71 (1.01)	1.49 (.323)*
Legitimacy	Victim	Deny^	5.24 (.92)	3.84 (1.20)	1.39 (.298)*
		Diminish	5.34 (1.10)	3.72 (.97)	1.61 (.305)*
		Deal	5.36 (.92)	3.81 (.93)	1.54 (.280)*
	Accident	Deny	4.90 (1.04)	3.33 (.84)	1.56(.286)*
		Diminish^	5.19 (1.01)	3.86 (.94)	1.32 (.282)*
		Deal	4.83 (1.31)	3.38 (.82)	1.44 (.305)*

^=Matched strategy *p<.05

When examining all four intensifier treatments, the positive intensifier of mature and positive relationship character always resulted in the highest scores for reputation and legitimacy regardless of crisis cluster and strategy. However, the lowest scores for reputation and legitimacy are not as consistent as outlined in Table 75. Both the new and negative relationship character intensifier (Intensifier 4) and the mature and negative relationship character intensifier (Intensifier 2) provided the lowest scores on reputation and legitimacy across the different combinations.

Table 75: Frequency counts for highest and lowest scores by intensifier

Negative Intensifiers	**Lowest Score on Reputation**	**Lowest Score on Legitimacy**
New and Negative Relationship Character (Intensifier 4)	3	4
Mature and Negative Relationship Character (Intensifier 2)	3	2

The main difference is evident in the victim cluster where the negative intensifier combinations in conjunction with the deal strategy are providing a different outcome on reputation to the outcome on legitimacy. In this cluster, for reputation, the mature and negative relationship character intensifier (Intensifier 2) provided the lowest score and for legitimacy the new and negative relationship character intensifier (Intensifier 4) provided the lowest. While of interest in the trend data, there is no significant difference between the mature and negative relationship character intensifier and the new and negative relationship character intensifier on these scores, therefore the comparison of the different intensifiers in these cells is not significant.

As outlined in Table 74, the highest reputation and legitimacy scores within the victim crisis cluster took place when the deal strategy was used by an organisation with the most positive intensifier of maturity and a positive relationship character (Intensifier 1). For the accident crisis cluster, the highest reputation and legitimacy scores were achieved when the diminish strategy was used by an organisation with the most positive intensifier of maturity and a positive relationship character (Intensifier 1).

Across Time Period Analysis: Influences of Intensifier on Strategy Outcomes

While providing information on the comparative outcomes at a point in time (i.e. Time 3) is useful, further analysis is needed to understand whether participant perceptions on reputation and legitimacy changed with the additional information on the organisation or whether the perceptions established at time 2 when the strategy

was introduced were unchanged. By comparing the outcomes at time 2 and time 3 of the experiment, the impacts on reputation and legitimacy for each of the combinations can be unpacked.

A repeated measures MANOVA analysis using crisis cluster, response strategy and the relationship history subvariables of organisational age and relationship character was undertaken. The univariate analysis within the MANOVA showed that time was having a significant effect on reputation (F (1,529)=53.56, ηp^2=.092, p<.05, observed power 1.000) and legitimacy (F (1,529)=8.250, ηp^2=.015, p<.05, observed power .818) across time periods 2 to 3.

For reputation, there are 12 different combinations within each of the victim and accident crisis clusters. These are 3 (strategy) x 2 (relationship history: organisational age) x 2 (relationship history: relationship character). Overall there are 24 different combinations representing the 24 different scenarios used in Experiment 6. Looking within these groups, significant shifts in reputation scores from time 2 to time 3 were evident in 8 of the combinations within the victim cluster and 10 of the combinations within the accident cluster. For legitimacy, significant shifts were established in 11 of the combinations in each of the victim and accident clusters. Therefore, in total, 18 of the treatments saw significant shifts on reputational scores across time 2 and time 3 and 22 of the treatments saw significant shifts on legitimacy scores across time 2 and time 3.

Table 76 highlights the largest significant declines in reputation and legitimacy scores across time 2 to time 3. As can be seen in this table, the quantum of the declines in legitimacy are less than the declines in reputation. The new and negative relationship condition (Intensifier 4) accounted for 8 of the 12 largest declines listed.

Table 76: Largest significant declines in reputation and legitimacy scores across time 2 to time 3 by intensifier category

Dependent Variable	**Cluster**	**Strategy**	**Relationship History**	**MDiff (SE) (Time 3 – Time 2)**
Reputation	Accident	Deal	New and negative	-1.55 (.22)*
	Victim	Deal	Mature and positive	-1.55 (.24)*
	Victim	Deal	New and negative	-1.47 (.19)*
	Victim	Deny	Mature and negative	-1.40 (.22)*
	Accident	Diminish	New and Negative	-1.20 (.23)*
	Accident	Diminish	Mature and negative	-1.20 (.25)*
Legitimacy	Victim	Deal	New and negative	-1.07 (.14)*
	Accident	Deal	New and negative	-.990 (.17)*
	Victim	Deal	Mature and negative	-.989 (.18)*
	Accident	Deny	New and negative	-.833 (.17)*
	Victim	Diminish	New and negative	-.760 (.17)*
	Accident	Diminish	New and negative	-.628 (.17)*

*p<.05, a negative score indicates a decline in scores over time.

Table 77 highlights the largest significant increases in reputation and legitimacy scores across time 2 to time 3. The mature and positive relationship condition (Intensifier 1) accounted for 7 of the 12 largest increases listed.

Table 77: Largest significant increases in reputation and legitimacy scores across time 2 to time 3 by intensifier category

Dependent Variable	**Cluster**	**Strategy**	**Relationship History**	**Mean Difference (SE) (Time 3 – Time 2)**
Reputation	Victim	Deny	Mature and positive	.850 (.21)*
	Victim	Deny	New and positive	.792 (.21)*
	Accident	Deny	New and positive	.747 (.24)*
	Accident	Diminish	New and positive	.705 (.24)*
	Accident	Deny	Mature and positive	.628 (.19)*
	Victim	Diminish	Mature and positive	.457 (.23)*
Legitimacy	Victim	Deny	New and positive	.819 (.16)*
	Accident	Deny	Mature and positive	.697 (.15)*
	Accident	Deny	New and positive	.674 (.18)*
	Victim	Deny	Mature and positive	.650 (.16)*
	Accident	Diminish	Mature and positive	.613 (.14)*
	Victim	Deal	Mature and positive	.432 (.17)*

*p<.05, a positive score indicates an increase in scores over time

Table 78 outlines the eight conditions for which there was no significant change in reputation and/or legitimacy scores from time 2 to time 3. These are all conditions involving the positive relationship character treatment. Thus, having positive information compared with having no information may not always see a shift in stakeholder perceptions, however, having negative information always results in a negative shift. This confirms the results from Experiment 5 where there was a significant difference between the negative character treatment and the control group of no information at the time of the crisis event but not between the positive character treatment and the control group.

Table 78: Intensifier conditions showing no significant movement across time 2 to time 3

Dependent Variable	Cluster	Strategy	Relationship History
Reputation	Victim	Diminish	New and positive
	Victim	Diminish	Mature and positive
	Victim	Deal	New and positive
	Victim	Deal	Mature and positive
	Accident	Deal	New and positive
	Accident	Deal	Mature and positive
Legitimacy	Victim	Deal	New and positive
	Accident	Deal	New and positive

By examining the influences on reputation and legitimacy over the different time periods, the different impacts of the independent variables as they are introduced can be established. The final test on the variables of reputation and legitimacy for the hypotheses requires a comparison of time period 1 and time period 3 to better understand the full protective powers of the different strategies and their value in the intensified environment where relationship history is known.

To test Hypotheses 6.1 and 6.2, the matched strategy in each of the crisis clusters needs to be examined (victim – deny; accident-diminish). The reputation and legitimacy scores can be compared across the time periods. At time 1 to time 2, the ability of the strategy alone to protect the organisation against the damage from the crisis event can be established. From time 2 to time 3, the impact of the intensifiers (positive and negative) can be established which helps explain whether strategy alone is influencing the outcomes or whether strategy plus the information on the intensifiers is having an effect. Comparing time period 1 to time period 3 allows an assessment of whether the strategy in light of the intensifier information can limit the damage to the organisation as suggested in the underlying propositions of the SCCT model. The results of this analysis are outlined in Table 79.

Table 79: Shifts in reputation and legitimacy from time 1 to time 3 for matched strategies with different intensifier conditions

Cluster	**Matched Strategy**	**Intensifier**	**Reputation *M*Diff (SE) Time 3 – Time 1)**	**Increase/ Decrease**	**Legitimacy *M*Diff (SE) Time 3 – Time 1)**	**Increase/ Decrease**
Victim	Deny	Mature and positive	.367 (.23)	Increase	.69(.19)*	Increase
		Mature and negative	-1.70 (.24)*	Decrease	-.81 (.19)*	Decrease
		New and positive	.392 (.22)	Increase	.47 (.18)*	Increase
		New and negative	-1.40 (.24)*	Decrease	-.74(.20)*	Decrease
Accident	Diminish	Mature and positive	.63 (.20)*	Increase	.72(.16)*	Increase
		Mature and negative	-1.22 (.26)*	Decrease	-.85(.21)*	Decrease
		New and positive	.66(.25)*	Increase	.59(.21)*	Increase
		New and negative	-1.26(.24)*	Decrease	-.58 (.19)*	Decrease

*p<.05

Relevant Hypotheses

Hypothesis 6.1

In the presence of a positive intensifier, a matched strategy will at least maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

For the victim category, the matched strategy (deny) in the presence of the positive intensifier of mature and positive relationship character (Intensifier 1) maintained the organisational reputation from the time of the crisis event. A very slight increase in reputation of 0,3 was recorded at time 3 which is on trend but this shift was non-

significant at a p value of .485. A significant increase in legitimacy was recorded which is accounted for within the hypothesis.

Thus, Hypotheses 6.1 was supported for the most positive predicted intensifier as reputation was maintained and legitimacy scores were increased.

The new and positive relationship intensifier (Intensifier 3) led to a significant increase in legitimacy scores for the matched strategy run in the victim category. This intensifier helped the participants believe the denial by the company thereby protecting it from further damage. The impact on reputation was in the right direction but was non-significant. The mature and negative relationship character (Intensifier 2) however saw significant declines in reputation and legitimacy scores which may suggest that the participants saw the organisation having long term negative relationships with the community, thereby demonstrating a long pattern of poor behaviour.

For the accident cluster, the matched strategy (diminish) in the presence of the positive intensifier of mature and positive relationship character (Intensifier 1) saw a significant increase in both reputation and legitimacy scores from the time of the crisis event. As the hypothesis was to at least maintain these scores, hypothesis 6.1 was supported for the most positive intensifier (Intensifier 1).

Similar patterns for the new and positive relationship intensifier (Intensifier 3) and the mature and negative relationship intensifiers (Intensifier 2) were seen in the accident cluster to the victim cluster, however the impacts of new and positive was significant on reputation as well as legitimacy in this cluster. Thus Intensifier 3 acted as a positive intensifier and Intensifier 2 acted as a negative intensifier.

Hypothesis 6.2

In the presence of a negative intensifier, a matched strategy will not maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

As outlined in Table 79, for the victim cluster, the matched strategy (deny) in the presence of the negative intensifier of new and negative relationship character

(Intensifier 4) saw a significant decline in both reputation and legitimacy scores from the time of the crisis event, thus supporting the hypothesis.

For the accident cluster, the matched strategy (diminish) in the presence of the negative intensifier of new and negative relationship character (Intensifier 4) also saw a significant decline in both reputation and legitimacy scores from the time of the crisis event, thus supporting the hypothesis.

As outlined above, the intensifier of mature and negative relationships (Intensifier 2) resulted in significant decreases in reputation and legitimacy scores across the two crisis clusters, thus acting as a negative intensifier.

To test the final hypothesis for research question six, a comparison needs to be made between the matched strategy and the step up strategy. For the victim cluster, the match strategy is deny and the step up strategy is diminish and for the accident cluster the match strategy is diminish and the step up strategy is deal. This test occurs at time 3 and Table 80 outlines the results for all of the intensifier combinations for reputation and legitimacy at this time.

Table 80: Reputation and legitimacy means for match and step up strategies across clusters at Time 3

Cluster	**Intensifiers**	**Reputation for match strategy at time 3** ***M*(SD)**	**Reputation for step up strategy at time 3** ***M*(SD)**	**Legitimacy for match strategy** ***M*(SD)**	**Legitimacy for step up strategy** ***M*(SD)**
Victim	New and negative	3.59 (1.13)	3.40 (.90)	3.84 (1.2)	3.72 (.97)
	New and positive	4.69 (.88)	4.86 (1.23)	4.69 (1.01)	5.23 (1.07)
	Mature and negative	3.10 (1.14)	3.81 (.81)	3.63 (.82)	4.29 (.96)
	Mature and positive	5.00 (.89)	5.25 (1.24)	5.24 (.92)	5.34 (1.10)
Accident	New and negative	3.93 (.80)	3.71 (1.01)	3.86 (.94)	3.38 (.82)
	New and positive	4.94 (1.01)	5.15 (1.03)	4.73 (1.05)	4.52 (1.17)
	Mature and negative	3.54 (1.02)	3.90 (1.19)	3.26 (.77)	3.67 (.97)
	Mature and positive	5.30 (1.03)	5.20 (1.47)	5.19 (1.01)	4.83 (1.31)

Hypothesis 6.3

In the presence of a negative intensifier, a step up strategy will provide a more positive outcome than a matched strategy on stakeholder perceptions of reputation and legitimacy.

Taking the most negative intensifier first (Intensifier 4: new and negative relationship character), the step up strategy in the victim (deny to diminish) and accident (diminish to deal) clusters did not provide a more positive outcome on reputation or legitimacy scores, therefore not supporting the hypothesis.

As mature and negative relationship character (Intensifier 2) had previously been identified as acting as a negative intensifier, it was also assessed against the hypothesis. For this intensifier, the step up strategy did provide a more positive

outcome on reputation and legitimacy in both clusters, thereby supporting the hypothesis.

To achieve a more positive outcome in the most negative intensifier situation (Intensifier 4: new and negative relationship character), a two step up strategy needed to be employed in the victim cluster. However, the positive outcome was only for reputation with no change in legitimacy. That is, the deal strategy needed to be used as outlined in Table 81 for reputation. The results for legitimacy are outlined in Table 82. This suggests the interaction between the liability of newness and the negative relationship character was creating strong negative perceptions of the organisation for the participants and the strategy had to do a lot more than would normally have been expected for the type of crisis event to see a shift in reputation and legitimacy scores.

Table 81: Reputation means for all strategy and intensifier combinations in victim cluster at Time 3

Cluster	**Intensifiers**	**Reputation for deny strategy *M*(SD)**	**Reputation for diminish strategy *M*(SD)**	**Reputation for deal strategy *M*(SD)**
Victim	New and negative	3.59 (1.13)	3.40 (.90)	3.93 (1.16)^
	New and positive	4.69 (.88)	4.86 (1.23)^	5.23 (1.03)
	Mature and negative	3.10 (1.14)	3.81 (.81)^	3.70 (1.11)
	Mature and positive	5.00 (.89)	5.25 (1.24)^	5.76 (.80)

Match = deny; One step up = diminish; Two steps up = deal

^ first strategy required to achieve higher outcome than match

Table 82: Legitimacy means for all strategy and intensifier combinations in victim cluster at Time 3

Cluster	**Intensifiers**	**Legitimacy for deny strategy *M*(SD)**	**Legitimacy for diminish strategy *M*(SD)**	**Legitimacy for deal strategy *M*(SD)**
Victim	New and negative	3.84 (1.2)	3.72 (.97)	3.81 (.93)
	New and positive	4.69 (1.01)	5.23 (1.07)^	4.75 (1.13)
	Mature and negative	3.63 (.82)	4.29 (.96)^	4.00 (.74)
	Mature and positive	5.24 (.92)	5.34 (1.10)^	5.35 (.92)

Match = deny; One step up = diminish; Two steps up = deal

^ first strategy required to achieve higher outcome than match

Responsibility

Research Question 7 and related hypotheses address the mediator role for responsibility.

The impact of the independent variables of crisis cluster, response strategy and relationship history (organisational age and relationship character) on responsibility as a dependent variable was assessed first. A univariate ANOVA using Pillai's trace with the dependent variable of responsibility at time 3 showed significant main effects for crisis cluster (F (1,529)=51.303, ηp^2=.088, p<.05, observed power 1.000) and relationship character (F (1,529)=54.371, ηp^2=.093, p<.05, observed power 1.000) but not for response strategy (F (2,529)=.717, ηp^2=.003, n.s., observed power .171) nor organisational age (F (1,529)=1.363, ηp^2=.003, n.s., observed power .214).

At time 3, participants held the company in the victim cluster less responsible (M=3.29 SD.1.26) than the company in the accident cluster (M=4.04 SD1.32) which supports the theoretical assumption behind the categorisation on cluster.

Participants also held the company that had a positive relationship character (M=3.28 SD.07) less responsible than the company that had a negative relationship character (M=4.07 SD.07) as expected.

The trend data for organisational age was as predicted with the mature company recording a slightly lower level of responsibility (*M*=3.61 SD.07) than the new company (*M*=3.74 SD.07) however the difference was not significant. Therefore, within the two components of relationship history, the effect of organisational age is not as clear as that for relationship character.

There were no significant two way, three way or four way interactions when assessing the impact of the independent variables on responsibility at time 3. The three way interaction of strategy*relationship character*age was just outside the significance level at p=.06.

Within the victim cluster, the matched strategy of deny when run by an organisation with the most negative intensifier (Intensifier 4: new and negative relationship character) is recording a significantly higher responsibility score than an organisation with the most positive intensifier (Intensifier 1: mature and positive relationship character) as outlined in Table 83. This also holds true for the two other strategy options in this cluster. For the accident cluster, the matched strategy of diminish with the negative intensifier is showing a higher responsibility score than with the positive intensifier, however, the difference is not significant. For the accident cluster, the other two strategy options are showing significant differences.

Table 83: Responsibility scores at time 3 across cluster, strategy and intensifier treatments

Dependent Variable	**Cluster**	**Strategy**	**Intensifier 1 (positive) *M*(SD)**	**Intensifier 4 (negative) *M*(SD)**	**MDiff (SE) (1-4)**
Responsibility	Victim	Deny^	2.59 (.74)	3.52 (1.41)	-.927 (.37)*
		Diminish	3.00 (1.17)	4.16 (1.13)	-1.167 (.37)*
		Deal	2.65 (1.12)	3.65 (1.50)	-1.004 (.34)*
	Accident	Deny	3.62 (1.32)	4.47 (1.02)	-.856 (.35)*
		Diminish^	4.06 (1.45)	4.52 (1.29)	-.459 (.35)
		Deal	3.44 (1.61)	4.50 (1.21)	-1.056 (.37)*

^=Matched strategy *p<.05, negative score=Intensifier 4 has higher responsibility score than Intensifier 1

In the victim cluster, the positive intensifier of mature and positive relationship character (Intensifier 1) always resulted in the lowest score for responsibility against the other three intensifier combinations. However, in the accident cluster, the intensifier of a new organisation with a positive relationship character (Intensifier 3) provided the lowest responsibility score for the deny and diminish strategies with the mature and positive relationship character (Intensifier 1) only providing the lowest responsibility score for the deal strategy. This may suggest that the participants are weighting the positive relationship character aspect more heavily than the age component. The earlier analysis found a significant relationship between relationship character and responsibility but not between age and responsibility which would support this finding.

For the negative intensifiers, the highest scores on responsibility were mostly generated by the new and negative relationship character condition (Intensifier 4) closely followed by the mature and negative character intensifier (Intensifier 2),

again suggesting the larger influence of the relationship character aspect of relationship history.

The largest significant differences between the intensifier combinations within each cluster are listed in Table 84. A difference in relationship character is present in more of these combinations than age with an interaction of age and relationship character present in five of the comparisons.

Table 84: Comparison of the largest differences among intensifiers on responsibility within each cluster.

Dependent Variable	Cluster	Strategy	Intensifier (A)	Intensifier (B)	MDiff (A-B)	Traits showing difference
Responsibility	Victim	Diminish	New and negative	Mature and positive	1.16 (.37)*	Age Rel Char
	Victim	Deny	Mature and negative	Mature and positive	1.11 (.36)*	Rel Char
	Victim	Deal	Mature and negative	Mature and positive	1.01 (.38)*	Rel Char
	Victim	Deal	New and negative	Mature and positive	1.00 (.34)*	Age Rel Char
	Victim	Diminish	New and negative	New and positive	.994 (.35)*	Rel Char
	Victim	Deal	Mature and negative	New and positive	.957 (.37)*	Age Rel Char
	Victim	Deal	New and negative	New and positive	.945 (.34)*	Rel Char
	Victim	Deny	New and negative	Mature and positive	.927 (.37)*	Age Rel Char
	Accident	Deny	Mature and negative	New and positive	1.07 (.39)*	Age Rel Char
	Accident	Diminish	New and negative	New and positive	1.08 (.39)*	Rel Char
	Accident	Deal	New and negative	Mature and positive	1.05 (.37)*	Age Rel Char
	Accident	Deny	New and negative	New and positive	1.02 (.39)*	Rel Char

*p<.05, positive score = Intensifier A has higher responsibility score than Intensifier B

Further analysis was undertaken to identify whether participant perceptions on responsibility changed with the additional information on the organisation or

whether the perceptions established at time 2 when the strategy was introduced were unchanged. By comparing the outcomes at time 2 and time 3 of the experiment, the impacts on responsibility for each of the combinations can be unpacked.

A repeated measures MANOVA analysis across time 2 and time 3 using crisis cluster, response strategy and the relationship history subvariables of organisational age and relationship character was undertaken. The univariate analysis within the MANOVA showed that time was not having a significant effect on responsibility (F (1,529)=2.837, ηp^2=.005, n.s., observed power .390) in the full model.

As with the analysis at time 3, significant main effects on the change in responsibility from time 2 to time 3 were only established for crisis cluster (F (1,529)=54.510, ηp^2=.093, p<.05, observed power 1.000) and relationship character (F (1,529)=19.445, ηp^2=.035, p<.05, observed power .933) but not for response strategy (F (2,529)=.873, ηp^2=.003, n.s., observed power .200) nor organisational age (F (1,529)=.410, ηp^2=.001, n.s., observed power .098). There was a significant three way interaction between strategy*cluster*age (F (2,529)=3.398, ηp^2=.013, p<.05, observed power .639). No other interactions were significant.

While the overall analysis was not showing a significant interaction effect among the four independent variables on responsibility over time (F (2,529)=1.527, ηp^2=.006, n.s., observed power .325), each of the 24 individual treatments were examined to identify any significant relationships within pairs of treatments.

There were 10 of the possible 24 treatments where a significant shift in responsibility occurred from time 2 to time 3. There were four significant declines in responsibility as outlined in Table 85. The most positive intensifier (Intensifier 1: mature and positive character) accounted for two of these declines. There were six significant increases in responsibility as outlined in Table 86 with the most negative intensifier (Intensifier 4: new and negative) accounting for four of the six.

Table 85: Significant declines in responsibility from time 2 to time 3

Dependent Variable	Cluster	Strategy	Relationship History	Mean Difference (SE) (Time 3 – Time 2)
Responsibility	Victim	Deny	Mature and positive	-.583 (.21)*
	Victim	Deal	New and positive	-.551 (.21)*
	Accident	Deny	Mature and positive	-.391 (.19)*
	Accident	Diminish	New and positive	-.632 (.24)*

*p<.05

Table 86: Significant increases in responsibility from time 2 to time 3

Dependent Variable	Cluster	Strategy	Relationship History	Mean Difference (SE) (Time 3 – Time 2)
Responsibility	Victim	Diminish	New and negative	.788 (.22)*
	Victim	Deal	New and negative	.767 (.19)*
	Accident	Deny	New and negative	.683 (.22)*
	Accident	Deny	Mature and negative	.567 (.23)*
	Accident	Diminish	New and negative	.508 (.22)*
	Accident	Diminish	Mature and negative	.852 (.24)*

*p<.05

Assessing Responsibility as a Mediator

Having tested the impact of the independent variables of crisis cluster, strategy and relationship history on responsibility as a dependent variable, further analysis was undertaken to ascertain the impact of responsibility as an independent variable on the dependent variables of reputation and legitimacy. This is necessary to establish the mediator effect.

Correlation analysis showed a significant correlation at the 0.01 level (2-tailed) between responsibility at time 3 and reputation (r=-.474) and legitimacy (r=-.553).

Thus the more responsibility the organisation was seen to have for the crisis, the lower scores they achieved on reputation and legitimacy judgments. This association was similar to the levels recorded at time 2. A further check was undertaken using the computed change variables. Again, a significant correlation was established between the change in responsibility from time 2 to time 3 and the change in reputation (r=-.472) and the change in legitimacy (r=-.516).

As cluster and relationship character had shown in an earlier analysis to have main effects on reputation and legitimacy and also to have had main effects on responsibility, these two variables were tested through MANCOVA to examine a mediation effect for responsibility.

The first test on cluster is outlined in Tables 87 and 88. The multivariate analysis showed limited mediation for cluster with very little change in the effect once the covariate of responsibility was added.

Table 87: Results of MANOVA/MANCOVA on reputation and legitimacy using responsibility at time 3 as covariate

Variable	**df**	***F***	**Effect ηp^2**	**Observed Power**
Cluster	2,550	8.677*	.031	.969
Cluster (with responsibility as co-variate)	2,549	7.765*	.028	.950
Responsibility (Time 3)	2,549	123.294*	.310	1.000

*p<.05

The univariate analysis displayed in Table 88 showed no mediation for reputation but full mediation for legitimacy with the change from a significant effect on legitimacy to a non-significant effect following the introduction of responsibility as a covariate. This was consistent with the earlier tests for mediation which showed that responsibility was mediating the effect of cluster on legitimacy but not on reputation.

Table 88: Results of univariate analysis within MANOVA/MANCOVA on reputation and legitimacy using responsibility at time 3 as covariate

Dependent Variable	**Independent Variable**	**df**	***F***	**Effect ηp^2**	**Observed Power**
Reputation	Cluster	1,551	.033	.000	.054
	Cluster (with responsibility as co-variate)	1,550	12.128*	.022	.935
	Responsibility (Time 3)	1,550	174.675*	.241	1.000
Legitimacy	Cluster	1,551	7.831*	.014	.798
	Cluster (with responsibility as co-variate)	1,550	1.105	.002	.183
	Responsibility (Time 3)	1,550	33.793*	.057	1.000

The second test for mediation using relationship character as the independent variable is outlined in Tables 89 and 90. The multivariate analysis showed partial mediation for relationship character with a reduction in the effect size once the covariate of responsibility was added.

Table 89: Results of MANOVA/MANCOVA on reputation and legitimacy using responsibility at time 3 as covariate

Variable	**df**	***F***	**Effect ηp^2**	**Observed Power**
Relationship Character	2,550	128.679*	.319	1.000
Relationship Character (with responsibility as co-variate)	2,549	95.349*	.265	1.000
Responsibility (Time 3)	2,549	95.349*	.258	1.000

*p<.05

The univariate analysis displayed in Table 90 showed the partial mediation working across both reputation and legitimacy. While all relationships remained significant, there was a decrease in effect size with the co-variate in place.

Table 90: Results of univariate analysis within MANOVA/MANCOVA on reputation and legitimacy using responsibility at time 3 as covariate

Dependent Variable	**Independent Variable**	**df**	***F***	**Effect ηp^2**	**Observed Power**
Reputation	Relationship character	1,551	219.714*	.285	1.000
	Relationship character (with responsibility as co-variate)	1,550	161.963*	.227	1.000
	Responsibility (Time 3)	1,550	106.382*	.162	1.000
Legitimacy	Relationship character	1,551	211.673*	.278	1.000
	Relationship character (with responsibility as co-variate)	1,550	154.351*	.219	1.000
	Responsibility (Time 3)	1,550	183.288*	.250	1.000

As with reputation and legitimacy, the final test on the variable of responsibility for the hypotheses requires a comparison of time period 1 and time period 3 to better understand the full protective powers of the different strategies and their value in the intensified environment where relationship history is known.

To test Hypotheses 7.1 and 7.2, the matched strategy in each of the clusters needs to be examined (victim – deny; accident-diminish). The responsibility, reputation and

legitimacy scores can be compared across the time periods. At time 1 to time 2, the ability of the strategy alone to impact responsibility and protect the organisation against the damage from the crisis event can be established. From time 2 to time 3, the impact of the intensifiers (positive and negative) can be established which helps explain whether strategy alone is influencing responsibility, reputation and legitimacy or whether strategy plus the information on the intensifiers is having an effect. Comparing time period 1 to time period 3 allows an assessment of whether the strategy in light of the intensifier information can limit the damage to the organisation from the crisis event.

Relevant Hypotheses

Each of the three hypotheses will now be discussed.

> *Hypothesis 7.1*
>
> *In the presence of a positive intensifier, a matched strategy will at least maintain stakeholder perceptions of responsibility and subsequently will at least maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.*

As outlined in Table 91, a matched strategy in the victim cluster (deny) in conjunction with the most positive intensifier of mature and positive relationship character (Intensifier 1) saw a significant decrease in responsibility assigned to the organisation. This supports the first part of hypothesis 7.1 which had as a minimum that responsibility would be maintained.

For the accident cluster, the matched strategy (diminish) in conjunction with the most positive intensifier of mature and positive relationship character (Intensifier 1) also saw a significant decline in responsibility adding further support to the hypothesis.

The new and positive relationship character intensifier (Intensifier 3) had benefits in the accident category with a significant decline in responsibility, however, the same treatment in the victim cluster was only supported on trend data with a non-significant decline.

Table 91: Changes in responsibility from time 1 to time 3 for matched strategies in each cluster.

Cluster	**Matched Strategy**	**Intensifier**	**Responsibility MDiff (SE) (Time 3 – Time 1)**	**Responsibility Increase/Decrease (Time 3 – Time 1)**
Victim	Deny	Mature and positive	-.764 (.24)*	Decrease
		Mature and negative	1.04 (.25)*	Increase
		New and positive	-.288 (.23)	Maintain (non significant decrease)
		New and negative	.26 (.26)	Maintain (non significant increase)
Accident	Diminish	Mature and positive	-.656 (.21)*	Decrease
		Mature and negative	-.111 (.28)	Maintain (non significant decrease)
		New and positive	-.886 (.27)*	Decrease
		New and negative	.143 (.26)	Maintain (non significant increase

*p<.05

To address the second part of the hypothesis, a summary of the relationships between changes in responsibility and changes in reputation and legitimacy is outlined in Table 92. This draws from the more detailed data provided earlier in testing significant and non-significant shifts in the dependent variables (reputation and legitimacy) and the proposed mediator of responsibility.

Table 92: Summary of changes in responsibility, reputation and legitimacy from time 1 to time 3.

Cluster	**Matched Strategy**	**Intensifier**	**Responsibility Increase/ Decrease**	**Reputation Increase/ Decrease**	**Legitimacy Increase/ Decrease**
Victim	Deny	Mature and positive (1)	Decrease*	Maintain (non significant increase)	Increase*
		Mature and negative (2)	Increase*	Decrease*	Decrease*
		New and positive (3)	Maintain (non significant decrease)	Maintain (non significant increase)	Increase*
		New and negative (4)	Maintain (non significant increase)	Decrease*	Decrease*
Accident	Diminish	Mature and positive (1)	Decrease*	Increase*	Increase*
		Mature and negative (2)	Maintain (non significant decrease)	Decrease*	Decrease*
		New and positive (3)	Decrease*	Increase*	Increase*
		New and negative (4)	Maintain (non significant increase	Decrease*	Decrease*

*p<.05

Under Hypotheses 7.1, the matched strategy in each category in conjunction with the most positive intensifier of mature and positive relationship character (Intensifier 1) should not provide any further damage to the organisation from the crisis event itself (time 1) as measures of responsibility, reputation and legitimacy will be at least maintained at these levels. This allows for upside benefit to be achieved through lowering responsibility with a subsequent increase in reputation and legitimacy.

This hypothesis has partial support in the victim cluster. The deny strategy in conjunction with the most positive intensifier (Intensifier 1: mature and positive relationship character) saw a significant decrease in responsibility from the time of the crisis and a subsequent significant increase in legitimacy, however, the increase in reputation was on trend but not significant. The hypothesis was fully supported in

the accident cluster with a significant decline in responsibility and a subsequent significant increase in reputation and legitimacy.

The new and positive character intensifier (Intensifier 3) appears to be acting as a positive intensifier in this context as well with significant results for the accident cluster and on trend results for the victim cluster.

Drawing from Table 92, the second hypothesis can be assessed.

Hypothesis 7.2

In the presence of a negative intensifier, a matched strategy will not maintain stakeholder perceptions of responsibility and subsequently will not maintain stakeholder perceptions of reputation and legitimacy from the time of the crisis event.

A matched strategy in the victim cluster (deny) in conjunction with the most negative intensifier of new and negative relationship character (Intensifier 4) saw a slight increase in responsibility, thereby potentially bringing further damage to the organisation. However, the result was non-significant so the hypothesis can only be supported on trend data. There was a significant decline in reputation and legitimacy across this time period which supports the second part of the hypothesis.

For the accident cluster, the matched strategy (diminish) in conjunction with the most negative intensifier of new and negative relationship character (Intensifier 4) also saw a slight increase in responsibility albeit not significant and a similar significant decline in reputation and legitimacy so there is partial support for the hypothesis across the clusters.

For the victim cluster, the mature and negative relationship character intensifier (Intensifier 2) had the most negative effect with a significant increase in responsibility and a significant decline in reputation and legitimacy. As outlined earlier, this is suggesting the participants saw the negative relationship behaviour as operating for a long period of time and therefore penalised the company for this behaviour. This relationship is less clear for the accident cluster, although significant declines in reputation and legitimacy were recorded for the mature and negative relationship character intensifier (Intensifier 2).

Hypothesis 7.3

In the presence of a negative intensifier, a step up strategy will provide more positive outcomes than a matched strategy on stakeholder perceptions of responsibility and subsequently provide more positive outcomes than a matched strategy on stakeholder perceptions of reputation and legitimacy.

For responsibility, a more positive outcome is a lower responsibility score for the step up strategy when compared with the match strategy. The hypothesis was not supported in the victim category for the negative intensifier of new and negative relationship character (Intensifier 4) with a higher score for responsibility being recorded when the step up strategy was used (see Table 93). A step up strategy did provide benefits in the new and positive relationship treatment (Intensifier 3) with subsequent higher scores for reputation and legitimacy (see Table 80) and the mature and negative relationship treatment (Intensifier 2), again with higher scores for reputation and legitimacy (see Table 80). The hypothesis was also not supported in the accident cluster for the most negative intensifier (Intensifier 4). The step up strategy of deal in this category resulted in the same level of responsibility as the matched strategy (see Table 93), although reputation and legitimacy scores were lower (see Table 80).

Table 93: Responsibility scores for matched vs step up strategy for intensifier categories within each cluster

Cluster	**Intensifiers**	**Responsibility for match strategy at time 3** ***M*(SD)**	**Responsibility for step up strategy at time 3** ***M*(SD)**
Victim	New and negative	3.52 (1.41)	4.16 (1.13)
	New and positive	3.28 (1.00)	3.17 (1.39)
	Mature and negative	3.71 (1.18)	3.42 (.99)
	Mature and positive	2.59 (.74)	3.00 (1.17)
Accident	New and negative	4.52 (1.29)	4.50 (1.21)
	New and positive	3.93 (1.42)	3.62 (1.19)
	Mature and negative	4.29 (.80)	4.25 (1.30)
	Mature and positive	4.06 (1.45)	3.44 (1.61)

Victim cluster: match = deny; step up = diminish; Accident cluster: match = diminish; step up= deal

For the victim cluster, the two step up strategy of dealing with responsibility did not provide any greater benefits as outlined in Table 94. This is to be expected as the deal strategy accepts responsibility, thereby participant perceptions of responsibility should at least be maintained or increased.

Table 94: Responsibility scores at time 3 for all strategy options and intensifier categories within the victim cluster

Cluster	**Intensifiers**	**Responsibility for deny strategy** ***M*(SD)**	**Responsibility for diminish strategy** ***M*(SD)**	**Responsibility for deal strategy** ***M*(SD)**
Victim	New and negative	3.52 (1.41)	4.16 (1.13)	3.65 (1.50)
	New and positive	3.28 (1.00)	3.17 (1.39)^	2.71 (1.23)
	Mature and negative	3.71 (1.18)	3.42 (.99)^	3.66 (1.16)
	Mature and positive	2.59 (.74)	3.00 (1.17)	2.65 (1.12)

Match = deny; One step up = diminish; Two steps up = deal
^ first strategy required to achieve lower score on responsibility than match

Reconsidering the Role of Responsibility

Responsibility had been hypothesised as a mediator in the relationship between a range of independent variables (crisis cluster, strategy, relationship character, organisational age) and the dependent variables of reputation and legitimacy.

The tests for mediation across the six experiments have shown limited mediation for responsibility and mostly for the crisis cluster variable. However, most analysis has shown links between responsibility and reputation and legitimacy.

A final test within Experiment 6 was run to assess responsibility as a moderating variable rather than a mediator. This test was run at two time periods to assess the presence of significant interaction effects between responsibility and the other independent variables. Responsibility at time 2 and time 3 was recomputed as a categorical variable as outlined in Experiment 2. Responsibility was assessed at three levels (low, medium and high).

For time 2 when the crisis event and the strategy are in place, a one-way MANOVA was undertaken using cluster, strategy and the categorical variable of responsibility as the independent variables and reputation and legitimacy as the dependent variables. A significant interaction was found for strategy and responsibility (F (8,1082)=2.347, ηp^2=.017, p<.05, observed power .892) for the multivariate analysis using Pillai's Trace as the test statistic. The univariate analysis within the MANOVA showed the two way interaction was having a significant effect on reputation (F (4,541)=3.539, ηp^2=.025, p<.05, observed power .867) with the effect on legitimacy just outside the significance test levels used in this experiment (F (4,541)=2.221, ηp^2=.016, p=.06, observed power .653).

At time 3, when the relationship history conditions are in place, there were a number of significant three way interactions on reputation and legitimacy at the multivariate level as outlined in Table 95. The three way interaction for cluster, strategy and responsibility was not significant at the univariate level for reputation (F (4,482)=2.002, ηp^2=.016, n.s., observed power .600) nor legitimacy (F (4,482)=1.845, ηp^2=.015, n.s., observed power .560). The three way interaction for strategy, relationship character and responsibility was significant for both reputation (F (4,482)=2.479, ηp^2=.020, p<.05, observed power .70) and legitimacy (F

(4,482)=4.275, ηp^2=.034, p<.05, observed power .928) with a stronger effect size for legitimacy. The three way interaction with the other subattribute of relationship history (organisational age), strategy and responsibility was significant for reputation (*F* (4,482)=2.339, ηp^2=.019, p<.05, observed power .678) but not legitimacy (*F* (4,482)=1.984, ηp^2=.016, n.s., observed power .596), recognising the stronger link established through this experiment between relationship character and responsibility compared with organisational age and responsibility. For the final three way interaction of relationship character, organisational age and responsibility, the univariate analysis was significant for both reputation (*F* (4,482)=3.688, ηp^2=.015, p<.05, observed power .677) and legitimacy (*F* (4,482)=4.151, ηp^2=.017, p<.05, observed power .732)

Table 95: Time 3 interactions with responsibility as a moderator at the multivariate level

Significant Interactions	**df**	***F***	**Effect ηp^2**	**Observed Power**
Cluster*strategy*responsibility	8,964	2.571*	.021	.922
Strategy*relationship character*responsibility	8,964	2.307*	.019	.885
Strategy*age*responsibility	8,964	2.275*	.019	.880
Relationship character*age*responsibility	4,964	2.910*	.012	.786

*p<.05

These interactions support the variable of responsibility as a moderator in the overall model, acting with strategy in the intensified environment (through organisational age and relationship character) to impact stakeholder judgments on reputation and legitimacy.

Summary of Experiment 6 Results

The final experiment in the study's series again confirmed the importance of the crisis event in setting stakeholder perceptions of an organisation's responsibility for a crisis and its reputation and legitimacy. Prior to any response by an organisation in

crisis, an organisation seen to be a victim had lower levels of responsibility assigned to it by the participants in the study when compared with an organisation that had experienced an accident. Similarly, the organisation experiencing the victim crisis achieved higher scores for reputation and legitimacy when compared with an organisation experiencing an accident.

The organisation's response was also established as having a main effect on reputation and legitimacy and was acting in conjunction with the type of crisis event for judgments on legitimacy. In general, denial strategies run by organisations in crisis saw the assignment of lower scores on reputation and legitimacy by the participants in this study when compared with the more accommodative strategies of trying to diminish responsibility or dealing with it directly through compensation. Strategy also had an effect on the change in reputation and legitimacy judgments made by the participants pre and post the crisis event. Confirming the results of the previous experiments, strategy was not shown to be having a significant effect on judgments of responsibility. Significant relationships were established, however, for the effect of levels of responsibility on judgments of reputation and legitimacy.

The main focus for Experiment 6 was on the impact of the intensifier of relationship history on the outcomes for organisations experiencing different types of crisis events and trying to select an effective strategy that addresses stakeholder concerns. A significant interaction was found between the two subcomponents of relationship history (organisational age and relationship character) for the effect on reputation and legitimacy, supporting the formation of the four different intensifier conditions that were tested in Experiment 6. The combination of a new organisation with a negative relationship character was found to have a detrimental effect on judgments on reputation and legitimacy, whereas a mature organisation with a positive relationship character was rewarded by the participants with higher reputation and legitimacy scores. A mature organisation with negative relationship character was generally judged more harshly than a new organisation with the same relationship character, suggesting participants saw maturity not as a protective category but as one which suggests long term negative behaviour by the organisation in question. Under this context, the predicted protection of the maturity status for the organisation turned into a harm factor.

The first hypothesis tested in Experiment 6 related to the ability of the match strategy in each of the clusters to maintain reputation and legitimacy scores in the presence of a positive intensifier. This was supported for both the victim and accident clusters. The most positive intensifier of a mature organisation with a positive relationship character had the strongest effect in these categories. The combination of a new organisation that had a positive relationship character was also classified by the participants as creating a positive environment for the organisation in which reputation and legitimacy judgments were made, although the results were only significant for legitimacy and on trend for reputation.

The second hypothesis examined the effect on reputation and legitimacy for the organisation when a negative intensifier was operating. Reputation and legitimacy scores were predicted to not be maintained when the most negative intensifier of a new organisation with a negative relationship character was operating which was supported with significant decreases for both the victim and the accident clusters. Similar results were also established for the next most negative intensifier of a mature organisation with negative relationship character.

The third hypothesis tested the proposition that a step up strategy would provide better outcomes for an organisation than a matched strategy in the presence of a negative intensifier such as a new organisation with a negative relationship character. This was not supported for the most negative intensifier for either the victim or accident cluster. The negative effects of this intensifier were too strong to allow a one step up strategy to achieve a better outcome. The participants expected the organisation with this negative relationship history to do considerably more and take on an even more accommodative strategy if there was going to be any benefit to the organisation in trying to achieve a higher reputation and legitimacy score. This test showed the power of the different intensifiers in action as the one step up strategy was sufficient for the negative intensifier of mature and negative relationship character. Thus, negative intensifiers cannot be considered all in one category but need to be placed on a continuum of negative impacts from strongly negative through to mildly negative.

Experiment 6 provided further examination of the role of responsibility in judgments on reputation and legitimacy and the ability of different factors such as the crisis

event or the organisation's response to influence such judgments. In Experiment 6, the organisation that had the more negative relationship character was held to be more responsible for the crisis event. Relationship character was having a stronger impact on judgments of responsibility than the other component of relationship history (organisational age). On trend data, the more mature organisation was held less responsible for the crisis event but the results for mature versus new were not significant. Judgments on organisational responsibility were established as mediating the relationship between relationship character and reputation and legitimacy.

The positive intensifier enhanced the protective powers of the recommended strategy under the SCCT model in the accident cluster by not seeing any further increases in responsibility or declines in reputation or legitimacy from that linked directly to the crisis event. As such, the recommended strategy met the expectations of stakeholders in terms of an organisation's response. Support was also provided for this proposition in the victim cluster although the impact on reputation could only be established on trend data.

Environments where negative intensifiers were present saw significant declines in reputation and legitimacy for organisations that used the recommended strategy, however, the link through responsibility was less well established. The recommended strategy did not sufficiently meet the expectations of participants so further damage was done to the organisation through lower reputation and legitimacy scores.

In the victim category, the organisation could not reduce the negative effects of its lack of maturity and negative relationship character by enacting the next most accommodative strategy. This step up strategy saw a significant increase in responsibility scores. The step up strategy did have the ability to maintain or lower responsibility when one of the less negative intensifiers were in place, again supporting the need to conceptualise a continuum of negative effects. For the accident category, the step up strategy again only had a positive outcome when used with the least negative of the intensifiers.

While some indications of responsibility of a mediator were established in Experiment 6, particularly in relation to crisis cluster and relationship character,

responsibility was established as interacting with the crisis cluster and organisational strategy to affect judgments on reputation and legitimacy. Thus, the findings of Experiment 6 suggest organisational responsibility for a crisis has both a mediating and a moderating role in understanding the relationships between a crisis event and the organisation's response to it and stakeholder judgments on the organisation's reputation and legitimacy.

Conclusion

This chapter has documented the results from the last stage of experiments in this study. A detailed description of the Stage Four Experiment 6 was provided and key findings summarised. The various relationships established through hypothesis testing of the independent variables of crisis cluster, strategy and relationship history with the dependent variables of reputation and legitimacy have been highlighted. The proposed mediator role for organisational responsibility has been tested and discussed and the extension to this proposition that responsibility has both a mediating and a moderating role established.

Support for each of the hypothesis has been outlined where confirmed and alternative propositions drawn from the data provided where support was not established.

In Chapter 8, the research findings will be considered in the context of existing literature, to develop conclusions on the research questions and hypotheses, and highlight theoretical and managerial implications of the findings.

Chapter 8 Discussion, Limitations and Recommendations

This chapter provides an overview of the research conclusions for this study based on the organising problem established in Chapter 1. The discussion draws on the detailed research findings of the six experiments outlined in Chapters 4 - 7, and the guiding literature from Chapter 2.

This study employed experimental method to extend and refine our understanding of the relationships and influences contained within one of crisis communication's dominant models, the SCCT (Coombs & Holladay, 2001). The SCCT model has developed as one of the major organising paradigms in crisis communication over the last decade and has increasingly become the focus for empirical research in this field. This study's particular focus was to unpack the scope and limitations of the 'protective powers' of response strategy (Coombs, 2010) for organisations in crisis. In doing so, it takes a stakeholder-centred approach by focusing on the perceptions of stakeholders as opposed to the views of organisations. The study tests the adequacy of the explanatory powers of the model and its related propositions, as reported in current literature, within the frame of influences on stakeholder perceptions. It extends the scope of the model to consider a more refined approach to our understanding of relationship history as a contextual factor in crisis communication and management and its role in influencing stakeholder perceptions. This study has also responded to the need to consider legitimacy outcomes for organisations in crisis given the growing interest in this field in the public relations discipline and, in doing so, reinvigorates investigations of this discrete construct within the SCCT model. While this study works primarily within the SCCT model, the key SCCT factors represent the features of many crisis management models and thus, this study's findings also contribute to the broader field of crisis response strategy.

Firstly, this chapter takes the key findings from across the four stages of experiments used to examine the relationship of key variables, and discusses how these findings contribute to the refinement of the SCCT model and influences on stakeholder perceptions during crisis events. It identifies how this study supports the findings from other studies in crisis response research. Where applicable, explanations for contrary findings are provided. In doing so, this chapter responds to each of the

seven research questions that guided this study, identifying important relationships between the independent variables of crisis cluster, response strategy and relationship history with its two sub-attributes (organisational age and relationship character) and the dependent variables of reputation and legitimacy. It also addresses the role of organisational responsibility in understanding these relationships. Secondly, the chapter addresses the contributions made to theory development and testing and the implications for managerial practice based on the current SCCT propositions and its guidelines for crisis managers. Thirdly, avenues for further research are identified before finally noting the limitations to the study and its findings.

Addressing the Organising Problem and Research Questions

This study was designed within the organising research problem of:

> *How does an organisation's selection of a crisis response strategy and that organisation's relationship history influence stakeholder perceptions of its responsibility in different crisis situations, and, subsequently, its intangible assets of reputation and legitimacy?*

Crises are by nature ambiguous situations that require decision-making without full knowledge of the factors influencing the event, therefore, predictive models that help managers understand the impacts of their choices are highly valued. Rhee and Valdez (2009) highlight the critical need in management studies to better understand the contextual factors surrounding events that can damage an organisation's reputation such as a crisis and confirm the difficulty organisations face in repairing such damage should it occur. Differentials exist for organisations trying to respond to such crises based on their own characteristics and the response they decide to make. As outlined by Hale et al (2005), management responses may be successful and mitigate against damage to reputation or they may be unsuccessful, aggravating damage already in play from the triggering event. Rhee and Valdez (2009) call for further consideration of the theorised propositions in reputation-repair models through empirical testing, not only to understand the influence of individual contextual factors but to also map their relationship to each other.

This study's design provided for the systematic interrogation of the way different information on a crisis event, an organisation's response to that event and the particular characteristics of the organisation facing the crisis influence stakeholder judgments of that organisation's reputation and legitimacy. One of the key drivers of this study was to understand the ability of particular response strategies to protect against the danger to an organisation's reputation and legitimacy of a crisis event and whether this protection was supported or reduced by a company's relationship history with its community stakeholders. A more thorough understanding of this influence is needed to better guide the managerial selection of an effective organisational response to a crisis to protect reputation and legitimacy and a more sophisticated model of such responses.

Testing Reputation and Legitimacy within the SCCT

The organisational assets of reputation and legitimacy are under threat during a crisis, hence the desire to build response models to protect these assets. Reputation and legitimacy have been represented in the literature as theoretically different constructs (Deephouse & Suchman, 2008; Staw & Epstein, 2000) and this study tested this claim empirically within the SCCT crisis model. Challenges to both reputation and legitimacy through crisis events were considered in the model's early development (see for example, Coombs & Holladay, 1996), however, few later studies revisited the legitimacy concept, preferring instead to focus on reputation (Coombs, 2006; Pace et al, 2010; Verhoeven et al, 2012).

The legitimacy construct used in this study was drawn from the work of Massey (2001) and Elsbach (1994) who both undertook legitimacy research directly with stakeholders. This construct included items on the qualities of an organisation and its external endorsement which are similar in nature to reputational constructs, therefore, strong association between the constructs was expected. However, the legitimacy construct also included aspects on normative activity, that is, what behaviour is expected of an organisation, representing a moral approach to legitimacy (Suchman, 1995) outlined in Chapter 2. Thus, the mix of these aspects should account for a level of difference between the constructs. It may be more pronounced at certain times of the pre-crisis and post-crisis event timeline,

depending on the information being processed by the stakeholders in making judgments on the organisation and its responsibility for the crisis event.

The results across the six experiments confirmed the strong association between reputation and legitimacy. Where there was a shift in stakeholder perceptions of one of the constructs, the same direction of influence was seen in the other construct, as expected with this strong association. However, the intensity of the shift did vary resulting in significant main effects for one construct being established in some of the experiments but not for the other (as reported in the results in Chapters 4 – 7). Of particular note was the main effect for strategy which was established more for the reputation construct than the legitimacy construct, suggesting the focus of the strategies in the SCCT was less well matched to the normative behaviour aspects of the legitimacy construct and consequently could not drive a shift in stakeholder perceptions of legitimacy.

The differences in the constructs were also demonstrated through correlation analysis run across the Stage One experiments, identifying the relationship between stakeholder judgments on the organisation's level of responsibility for the crisis event and its reputation and legitimacy. This analysis showed a higher correlation between levels of responsibility and levels of legitimacy than with levels of reputation. This suggests judgments on responsibility were aligning closely with the normative expectations of organisational behaviour represented in the legitimacy construct. Choi and Shepherd (2005) suggest that such congruence between the organisational behaviour and the expectations of its stakeholders should have a positive impact on legitimacy.

The Protective Powers of Response Strategy in Different Crisis Events: Refining the SCCT matched strategy proposition through repeated measures design

While crisis researchers often define the crisis lifecycle in different ways (see for example Fink, 1986; Mitroff, 1994; Coombs, 2007), similarities can be drawn on at least three key points: before the crisis event, the crisis event itself and the organisation's response to that event (or lack thereof). This study has used these critical time points in its design to track the judgments of the participants in the study. By doing so, it illuminates not only comparative outcomes based on the choices made by organisations in crisis but shows whether and how stakeholder

judgments are influenced by these choices at critical stages of the decision-making process.

Research Question 1

How do crisis response strategies used in response to crises from different crisis clusters influence stakeholder perceptions of organisational reputation and legitimacy?

Coombs (2007b) has suggested that through crisis response testing and modelling it should be possible to select the most effective communication strategy to protect the reputational damage to an organisation from a crisis event. Hence the proposition behind the SCCT model that recommends organisations should select a strategy that matches the level of responsibility determined by the type of crisis event it is facing. The model posits that by doing so, the organisation should at least match the expectations of stakeholders, thereby establishing congruency between the parties. However, it has been unclear in earlier research as to what impact the selection of a strategy actually has on a company's reputation and legitimacy that has already been damaged by an event. This is due to the limited studies that compare pre and post-crisis outcomes. Further refinement of the matched strategy propositions within the SCCT is possible once the impact at different time periods is known.

The crisis manager's decision-making starts with the crisis event. Stage One (Experiments 1 – 3) of this study's research process documented the impact of different types of crises contained within the theoretical structure of a crisis cluster on a company's reputation and legitimacy. Having established a baseline measure for reputation and legitimacy pre-crisis, the impact of the crisis event was shown consistently with significant declines recorded for all crisis clusters (victim, accident, preventable). These declines represented the reputational and legitimacy damage caused by the event itself and confirmed the hypothesised main effect of crisis cluster on reputation and legitimacy as outlined in Figure 37.

While previous studies have focused on the impact of crisis events on reputation, this study has shown that these events also represent an immediate challenge to an organisation's legitimacy and this challenge is present with different intensity for different types of crises.

Figure 37: Main effect of crisis cluster on stakeholder perceptions of reputation and legitimacy established in this study

Once faced with a crisis, the organisation needs to determine its response. Within the SCCT model, this response is either a theoretically matched strategy or an unmatched strategy based on the levels of responsibility attributed to the organisation due to the nature of the crisis event. Coombs (2010) acknowledges that while the SCCT offers a number of strategy recommendations, only a 'small percentage' (p.722) of them have been tested empirically, hence the need for studies such as this focused on the outcomes of response strategy. By tracing the effects over time, this study has unpacked the likely impact each strategy has on redressing the damage caused by the crisis event. This work better explains what running a matched or a mismatched strategy will mean for an organisation to help guide its decision-making.

One significant result of Experiments 1-3 is that crisis response strategy was confirmed as having a main effect on reputation. The introduction of different strategies resulted in clearly different reputational outcomes for the organisation. Response strategy was less clearly established as having an effect on legitimacy with significant differences in outcomes only found in one cluster of crisis, the preventable cluster where organisational responsibility for the crisis event is high. Experiment 6 confirmed the earlier effect for reputation and did find a significant effect for legitimacy, albeit with a much smaller effect size. The response strategies recommended in the SCCT appear less well designed to influence the more complex nature of stakeholder perceptions of legitimacy once they have been influenced by the crisis event.

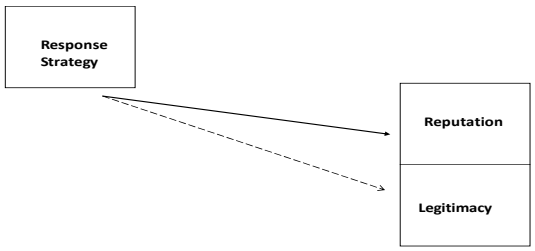

Figure 38: Main effect of response strategy on stakeholder perceptions of reputation and legitimacy established in this study

Given the selection of an appropriate response strategy is predicated on the crisis event, a two-way interaction between crisis cluster and strategy was expected in these experiments. Mixed support was provided for this proposition across the study. The Stage One experiments (Experiments 1 – 3) did not support this proposition with no significant effect for the two-way interaction on reputation and legitimacy. This is consistent with the recent findings of Claeys et al (2010) and Verhoeven et al (2012) who examined the effects on reputation. This study has extended their work by considering also the effect on legitimacy. While Experiments 1 – 3 tested the effects of strategy in all three clusters, a maximum of two clusters was tested in any one experiment and drew from the clusters of victim and preventable. When a different combination of clusters was tested in Experiment 6 (victim and accident), a significant two-way interaction was established for legitimacy but not for reputation. Thus, the underpinning assumptions of the cluster definitions which assume certain levels of responsibility appear to be critical to the interaction with strategy which is seen to address those levels of responsibility. The assumptions of the victim and accident clusters are similar in that they position low to medium levels of organisational responsibility whereas the assumption of the preventable cluster is high organisational responsibility, thereby creating a different environment through which strategy is assessed.

The hypothesised relationships under examination in the study were designed to draw out the impacts of the matched vs mismatched strategies. By undertaking the repeated measures analysis, the actual effect of the strategy could be established. For each of the victim, accident and preventable crisis clusters, the matched strategy

maintained stakeholder perceptions of reputation and legitimacy from the time of the crisis event as predicted in the Stage One experiments. This means that by selecting the matched strategy the organisation could have comfort that no further damage to its reputation and legitimacy was going to occur. Damage had already occurred based on the crisis event so the response strategy held stakeholder perceptions of reputation and legitimacy constant at this point.

One of the stated goals of the SCCT is to guide managers in selecting an appropriate response strategy (Coombs, 2006). The findings from Experiments 1 -3 suggest a refinement of the broad guidance to managers drawn from the model which implies the 'significant effect on the outcome of crisis' (Coombs, 2010, p. 28) from implementing effective response strategies. The guidance drawn from this study should be to set very modest goals as outcomes for their strategy intervention and not expect their response to recoup all or almost all of the damage done and return the company's reputation and legitimacy to close to pre-crisis levels. In considering the implications of these results, it should be remembered that the judgments made in Experiments 1 – 3 were over a very short period of time with the participants being asked to comment on the company immediately upon finding out new information. Retesting after some longer period of time may result in different outcomes as the immediate effect of the information deteriorates.

As the mismatched strategies represent different options across the three crisis clusters, some different outcomes were found among the groups in this study. However, the findings support the findings of Lee (2004) who found limited differences between the mismatched strategies in light of their very different approaches from, for example, denying responsibility through to offering compensation to victims.

For a crisis in which the organisation was deemed by the participants to be a victim and therefore had low responsibility for the crisis, the only strategy response that led to a significant positive shift in stakeholder perceptions of reputation was the accommodative strategy of compensation to the victims. In this case, the victims were the company's employees and their families so there may be a reasonable expectation that they be looked after even though the company wasn't directly responsible. This appeared to have been recognised by the participants with this

goodwill gesture by the company being rewarded with a significant increase in reputation scores from the time of the crisis event which returned the company's reputation to its pre-crisis levels. The company would need to consider its options carefully if the victims were not linked to the company as adopting a strategy of denying responsibility for the event or providing an excuse led to no further damage to the company's reputation and legitimacy which may be an acceptable outcome when balanced against the financial and legal ramifications of more accommodative strategies involving compensation.

For an accident where attributed responsibility is mid-range in intensity, the diminish strategy of making an excuse for the accident saw reputation and legitimacy maintained at the point of the crisis event with no further damage to these assets suffered by the organisation. This may be sufficient for an organisation that has some level of responsibility for the incident in the short term with other strategies introduced at a later date to rebuild the company's reputation and legitimacy. The deal strategy of providing compensation saw a significant increase in reputation and again returned the company to its pre-crisis reputation level.

For crisis events viewed by stakeholders as preventable, there were very limited differences in outcomes between the most accommodative strategy of providing compensation and the diminish strategy of offering an excuse. Judgments of responsibility are strongly directed towards the organisation in this category and once made, the organisation may find it difficult to change such judgments. This finding supports the work of Haigh and Dardis (2008) who found no benefit for an organisation in running highly accommodative strategies over lower level strategies such as an excuse. Coombs (2007) has also acknowledged that attempts to lower responsibility in times of heightened levels of negativity may be fruitless. This study has responded to the call by Haigh and Dardis (2008) for more empirical testing of these dynamics as the impact of each of the strategies has been mapped through the repeated measures analysis.

The preventable cluster is underresearched given its importance to today's business environment. Major business crises such as Enron, Citigroup, JP Morgan, Barclays and the LIBOR scandal and the many groups caught up in the Global Financial Crisis have highlighted the implications to business of fraud and organisational

misdeeds. This study has provided a particular focus on this cluster through Experiment 3 which examined two different crisis events within the cluster. Three different recommended strategies were assessed within each of these crisis events. The two crisis events did not behave the same as evidenced by a significant effect for the crisis subtype on reputation and legitimacy. Harsher judgments were applied by the stakeholders to the organisation which had been involved in an alleged fraudulent contract negotiation when compared with an organisation whose employee had made a mistake and produced a product that harmed consumers. The latter was considered more closely to that of an accident which is understandable as there did not appear to be any intent behind the employee's actions. This analysis raises the challenge of trying to position the crisis types within their clusters which is a key decision of the crisis manager. If the crisis types are viewed as a continuum rather than as discrete categories of difference, the crisis types closest to the original dividing lines of each category may need further attention when determining which strategy is most likely to have a positive effect.

While Coombs (2007b, 2009) has separated out the ingratiation strategy from the rebuild strategies in more recent discussions of the SCCT model, the findings of Experiment 3 suggest the outcomes from its use may not support such differential treatment. The ingratiation strategy which reminds stakeholders of previous good deeds was not held to provide significant differences in reputation and legitimacy outcomes to those of the compassion strategy which includes a level of compensation for victims or to a full apology taking responsibility for the crisis event. These strategies were applied in a preventable crisis where attributions of responsibility are high, so once again, the initial attribution of responsibility may be so strong as to limit the effect of any particular strategy. Shifting the focus for the respondents from the crisis event to the company's previous good deeds saw no further damage caused to the company's reputation and legitimacy. As identified earlier, suffering no further damage is a minimum goal for the organisation. The ingratiation strategy did not provide any additional benefit of repairing the damage experienced from the event but then neither did the other recommended strategies. The execution of the ingratiation strategy in practice may be more difficult as media representation of the strategy may reflect a more negative approach than was produced in this study's media articles. However, the results of this study suggest its

use should be reconsidered in controlled channels of communication such as websites and e-newsletters where the company can determine the message communicated to stakeholders.

Explicating the Role of Organisational Responsibility in Crisis Response Models: Responsibility as a Mediator

The role of organisational responsibility and its influence on stakeholder perceptions of reputation and legitimacy has been a central focus in this study. Given the crisis clusters in the SCCT are formulated around the assumed levels of attributed responsibility and a number of strategy response models used by crisis managers are designed to address levels of responsibility (e.g. deny it, shift it, accept it), a better understanding of the role of responsibility is critical to further development of effective crisis models.

> *Research Question 2*
>
> *How does responsibility mediate the influence of response strategies used during crises from different clusters on stakeholder perceptions of organisational reputation and legitimacy?*
>
> *Research Question 3*
>
> *How does an organisation's responsibility for a crisis affect stakeholder perceptions of its reputation and legitimacy?*

Correlation analysis throughout this series of studies found a strong association between organisational responsibility and reputation and legitimacy. Where stakeholders judged on organisation to be highly responsible for a crisis event, they judged the company's reputation and legitimacy more harshly. This supports the findings of Verhoeven et al (2012), Coombs and Holladay (2002) and Lyon and Cameron (2004) who all found a similar link between strong responsibility and damage to lower reputation and demonstrates the relevance of these findings to the related construct of legitimacy.

In contrast to many of the previous works within crisis models (Dean, 2004; Lee, 2004; Massey, 1997; McDonald, 2005), the majority of experiments in this study tried to mimic the lived experience of non-victim stakeholders as much as possible

where the stakeholders need to decide for themselves whether an organisation that has experienced a crisis event is responsible for that crisis or not. This decision is often informed through media reports as used in this study. The ambiguous nature of early information in a crisis event may make these initial judgments weaker than when clear responsibility for a crisis event can be assigned but this is the reality that crisis managers have to face when determining their early response strategies.

The experiments in Stage One of this study demonstrated that stakeholders were making clear decisions on organisational responsibility based on early information about a crisis event. Responsibility scores were consistently higher for crises in the preventable cluster and lower in the victim cluster as expected, reinforcing the work of Claeys et al (2010) and Kim et al (2009) who assessed the clusters' link with responsibility and found differences between the assigned responsibility in each of the different clusters they studied. Claeys et al (2010) studied all three clusters and Kim et al (2009) studied two different clusters. Through further analysis in this study, responsibility was established as mediating the influence of the crisis event on stakeholder perceptions of reputation and legitimacy as outlined in Figure 39.

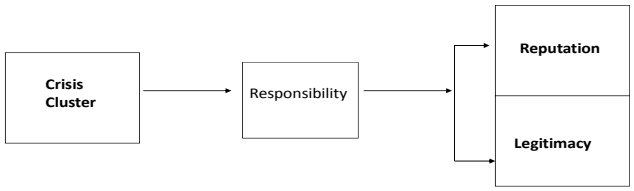

Figure 39: Mediation effect of organisational responsibility in the relationship between crisis cluster and stakeholder perceptions of reputation and legitimacy established in this study

The analysis of multiple time periods in these experiments, which was integral to the design of this study, shows that once judgments on responsibility are made, it is quite difficult for a company to use its response to change them. There was very little movement in responsibility judgments across the series of experiments in Stage One from the time of the crisis event to the time of the company's response. This

supports Jorgensen's (1996) original contention through structural equation modelling that found no path between response strategy and responsibility.

The additional contribution made by the Stage Two experiment in this study is that judgments of responsibility can be influenced but that influence comes from unambiguous determinations of responsibility made by an independent authority, not by the company itself. The data from multiple time periods in Experiment 4 show the level of this influence within the tested crisis cluster of accident. Dean (2004) has linked this effect to the discounting principle where an apparent causal inference (based on the crisis event details) will be discounted if an alternative, plausible explanation (the definitive statement of responsibility) is present. While denials and acceptances of responsibility by the organisations in crisis had limited effect in the Stage One experiments, the statements of full or no responsibility by an independent authority led to significant changes in responsibility levels in Experiment 4. This change then led to significant shifts in judgments on reputation and legitimacy. In the absence of any further information, being judged as not responsible was sufficient to return stakeholder judgments on reputation and legitimacy to pre-crisis levels, thereby emphasising the importance of judgments of responsibility on organisational outcomes. This highlights the continued importance of testing for influence on responsibility in crisis response and repair models (see for example Rhee & Valdez, 2009).

The analysis throughout the Stage One experiments and the specific time period analysis for Experiment 6 in Stage Four showed no main effect for strategy on judgments on responsibility. The organisational strategy statements in response to the crisis by themselves did not have sufficient impact to shift the strong judgments made from the impact of the crisis event. This result appears to be counter to the link between strategy and responsibility found in McDonald (2005) although a comparison of the design of her experiments and the ones in this study help to explain this apparent contradiction. McDonald used a wider range of strategies including 'no comment' and 'confession', neither of which were used in this study outside one instance in Experiment 3 where apology was used. The strategies in common across the two studies were shown in McDonald's study to lead to significantly different outcomes to the no comment and confession treatments hence the main effect for strategy. While the strategies in common were different to the

other strategies used in McDonald's study, they weren't different from each other in her study. Thus, there was a clustering of these strategies that showed similar outcomes. When tested as a group, they would show non-significant results which was what occurred in this study, hence greater similarities between the results of the two studies may be drawn.

Drawing on the work of Hamilton and Sanders (1992), McDonald (2005) postulated that people may suspend judgments on organisations in crisis until a response is made that directly addresses the issue of responsibility. This helped explain the more positive than expected rating given by participants in her experiments to 'no comment' in the testing of different strategies and their effects on consumer outcomes including responsibility. The time series data obtained in the six experiments run in this study would run counter to this suggestion as strong attributions of responsibility were consistently found in the experiments based only on information surrounding the crisis event. The experimental design showed that once made, this level of responsibility was very difficult to shift, representing the large effect size for crisis cluster. Given the strong link between responsibility and reputation and legitimacy challenges, a deeper understanding of factors that influence responsibility judgments is necessary if more positive reputation and legitimacy outcomes are to be achieved.

Exploring the Impact of an Expanded Relationship History Construct: Considering the Additional Influence of Organisational Age

Supporting or detracting information about a company in crisis that frames the decision-making on its responsibility for that crisis may be important in explaining crisis outcomes. In the early stage experiments in this study, the response strategy by itself was not shifting judgments on responsibility but some impacts on reputation and legitimacy were recorded. Thus, contextual factors such as company information that may more strongly influence responsibility judgments could see a stronger shift in reputation and legitimacy, either positively or negatively. Rhee and Valdez (2009) have called for further research into these factors and, in particular, the interaction among them.

This study has addressed this call through its focus on the ability of a situational factor to intensify the environment where organisational judgments are being made.

While the literature tends to focus on factors that could produce negative judgments for organisations, the intensifier approach could also lead to more positive judgments. The particular focus for this study was on relationship history as an intensifier. As outlined in Chapter 2, relationship history was conceptualised as having two components: the age of the organisation drawing from the earlier work of Massey (2004) and Rhee and Valdez (2009), and the nature of its relationship with the community as researched by Coombs and Holladay (2001) and Lyon and Cameron (2004). The interaction of these two components was hypothesised to strengthen the effects of the singular treatments.

Stage Three of this study explored the impacts of relationship history. The impact of relationship history on stakeholder judgments of reputation and legitimacy was tested before a crisis event in Experiment 5 and following one in Experiments 5 and 6 in line with the study's overall design approach to test impact over time. Knowledge of the benefits of the relationship history construct can help public relations managers develop their ongoing communication strategy with stakeholders as well as in a time of crisis.

If relationship history is to act as an intensifier during a crisis situation, its effect may be seen through a direct relationship on reputation and legitimacy or indirectly through changing attributions of responsibility. Initial work (see for example, Coombs & Holladay, 2001) suggested the indirect route whereas latter tests have suggested a greater influence through a main effect (Coombs, 2006). Both these possibilities were explored in this study as there are limited empirical tests of both options and these tests have focused mostly on reputation and not legitimacy.

Research Question 4

How does an organisation's relationship history with its stakeholders influence stakeholder perceptions of its reputation and legitimacy?

Research Question 5

How do stakeholder perceptions of an organisation's responsibility mediate the influence of its relationship history on its reputation and legitimacy?

Organisational Age – Pre and Post Crisis

Significant results were not achieved on the influence of organisational age on reputation and legitimacy during normal operating circumstances. On trend data, the mature organisation had higher scores for reputation and legitimacy but there was little difference with the control state of no information. However, once a crisis event happened, the organisation's age did show an effect on judgments of reputation and legitimacy as outlined in Figure 40. The crisis event appeared to have triggered the stakeholders' search for more information on which to judge the company and the organisation's age was then taken into consideration.

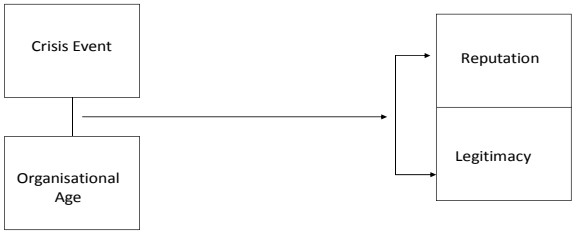

Figure 40: Effect of organisational age in a crisis event on stakeholder perceptions of reputation and legitimacy established in this study

The mature organisation experiencing a crisis event was given a higher reputational score than a new organisation experiencing the same event. The organisation's maturity protected its reputation against the crisis event with a decline in reputation post the crisis event that was smaller than for the control situation which represented just the crisis event. The new organisation suffered a much larger decline than both the mature organisation and the control. The crisis event also triggered more detailed judgments for legitimacy. The mature organisation's legitimacy was better protected during the crisis than that of the new organisation and the mature organisation suffered less damage with a smaller decline in its legitimacy score than the control condition. This suggests the information on maturity provided some additional benefit to the company than no information at all.

Relationship Character – Pre and Post Crisis

Prior to a crisis event, the second subattribute of relationship history under study - relationship character - was found to have a significant effect on reputation and legitimacy. Significant differences were established for information on whether the company had a positive relationship character or a negative relationship character on both dependent variables, however, information on relationship character when compared with no information was significant only for reputation. Thus, this information was important in the stakeholders forming judgments about the company's reputation.

In this study, the importance of relationship character remained significant once the crisis event occurred. There were significant differences between the positive and negative relationship character treatments on judgments on reputation following the crisis event. This supports the findings of Coombs and Holladay (2010) who found that when testing different types of accidents (technical error accidents vs human error accidents), the halo of a favourable prior reputation which is operationalised in a very similar way to this study's relationship character construct seemed to override the increased attributions of crisis responsibility given to the human induced accident and the reputational threat it posed to the organisation in crisis. In their experiment, attributions of crisis responsibility increased based on the crisis type yet post-crisis reputation scores stayed the same as an alternate organisation with lower attributions of crisis responsibility, contrary to the generally accepted assumptions of stronger responsibility leading to lower reputation scores. Coombs and Holladay (2010) argue that the halo became the frame through which the crisis event was seen rather than the actual event itself. However this halo effect only worked in the favour of the organisation with a favourable pre-crisis reputation. A negative pre-crisis reputation depressed post-crisis reputation scores and eliminated any difference in responsibility scores that should have been linked to the different causes of the crisis. By measuring reputation and/or responsibility at one time, Coombs and Holladay (2010) can compare across different organisations and show a difference in the outcomes at that point for each. However, what exactly is happening to each of the organisations undergoing the crisis remains unclear and, therefore, the impact of each of the contributing factors are difficult to map effectively.

It is in explaining this latter part that this study sought to make its major contribution. Across its different stages, this study has shown the impact of the crisis event itself in terms of the reputational and legitimacy damage to the organisation and then the protective powers of different strategy choices to stop further damage or reduce the damage already done, either in the presence of no further information about the organisation or with positive or negative information about the company. This study has shown the influence of each of the contributing factors at each stage to draw causal links between the information the stakeholders are receiving and the judgments they are making.

Experiment 5 in Stage Three appeared to show a version of the paradox effect (Lyon & Cameron, 1999; Dean, 2004) discussed in Chapter 2 as the organisation with a positive relationship character saw a greater decline in its reputation following the crisis event. As approached through expectancy violation theory (Burgoon, 1978), events that violate previous expectations are more salient and attract greater attention from stakeholders. Thus, the participants in the study had expected more of an organisation with a positive history and when a negative event happened, they penalised the company strongly for supposedly letting the crisis event occur. There was no longer congruence between the stakeholder expectations and the organisational action and this led to negative judgments. The paradox did not hold true however for legitimacy judgments with the negative relationship character recording a larger decline than the positive condition. For legitimacy, the positive relationship character protected the organisation against the impact of the crisis event with the decline in its legitimacy less than that for the crisis event by itself. The legitimacy construct contains normative behaviour components which establish the organisation's operations within that of its sector in terms of what is acceptable behaviour. So while the crisis event may have been seen to be in conflict with the company's positive background, it may not have been sufficiently challenging to influence judgments on the company within a broader comparative base of appropriate organisational standards. Thus, the impacts on reputation and legitimacy would provide related yet different outcomes with the positive character protecting the organisation's legitimacy to a much greater level than its reputation.

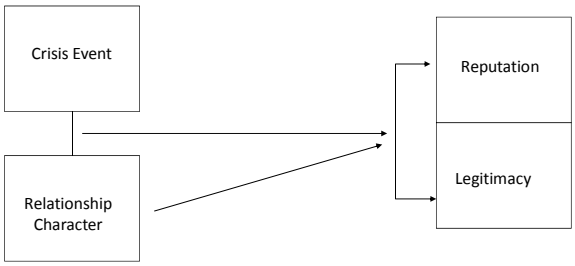

Figure 41: Main effects of relationship character prior to and during a crisis event on stakeholder perceptions of reputation and legitimacy established in this study

Interaction Effects of the Sub-Attributes of Relationship History

The effects of the two components of relationship history were confirmed in Experiment 6. Both relationship character and organisational age had significant main effects on reputation and legitimacy, with the stronger effect being recorded for relationship character. A two-way interaction between relationship character and organisational age was also established as having a significant effect on reputation and legitimacy during a crisis event as outlined in Figure 42.

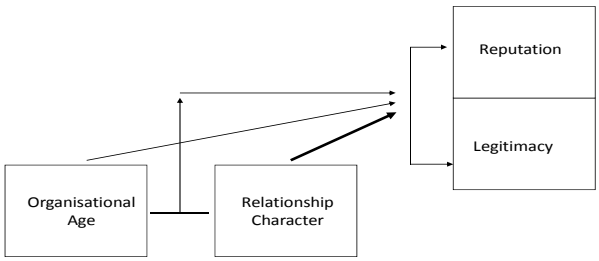

Figure 42: Main effects of relationship character and organisational age on stakeholder perceptions of reputation and legitimacy and the two-way interaction within the relationship history construct during a crisis event established in this study.

The combination of a mature organisation with a positive relationship character was the most positive intensifier, thereby supporting higher judgments on reputation and legitimacy. The most negative intensifier varied across crisis clusters between the predicted new organisation with negative relationship character intensifier and the mature organisation with the negative relationship character. The latter suggests that the participants saw the mature organisation with a negative relationship character as behaving badly over a longer period of time which intensified the negativity of the construct. In this context, maturity was a negative element rather than a protective one.

Rhee and Valdez (2009) have theoretically considered the influence of organisational age in reputation damaging events, suggesting that the more accountability or reliability expected of older firms gives prominence to their errors. Within this context, age is seen as a negative factor of influence. This is also broadly grounded within expectancy violation theory (Burgoon, 1978). However, they note that the conflicting literatures around maturity as a positive (e.g. age dependence theory) and maturity as a negative (e.g. expectancy violation theory) makes it difficult to draw propositions on how age impacts stakeholder judgments on organisational actions. The results from this study give some empirical guidance on age as an organisational asset and/or liability in a crisis situation, however, further detailed investigation is required to clarify the initial assumptions.

Links to Responsibility

In considering the paths of influence for relationship history, the Stage Three experiment confirmed the main effect for relationship history and did not support an indirect effect through responsibility. That is, judgments on responsibility did not mediate the impact of relationship history on stakeholder perceptions of reputation and legitimacy. No significant effect was found for relationship history on judgments of responsibility. Given levels of responsibility for these tests was left to the participants to decide and not directed as in Experiment 4, the results may have been influenced by the effect size capable of being achieved in the test conditions. On trend data, the mature organisation and the positive relationship character organisation had levels of responsibility lower than the control condition from the event only and the new organisation and the negative relationship character

conditions had higher levels of responsibility than the control which supported the original hypotheses, although these differences were not significant. The Stage Three experiment, Experiment 5, tested the impact of relationship history on responsibility judgments in the absence of an organisational response similar to the Coombs and Holladay (2010) study on the framing of crises through the protective halo of a positive pre-crisis reputation. Whether stakeholder judgments on the effectiveness of the strategy were impacted by knowledge of the organisation's relationship history was tested in the final stage (Experiment 6) and makes a further contribution to the explanatory work of the framing ability of relationship history commenced by Coombs and Holladay (2010). This study also expanded the concept of relationship history through the examination of organisational age as a moderating factor with relationship character and tested the effect of relationship history across different crisis clusters.

Revisiting the Effectiveness of Strategy Recommendations in an Intensified Environment: Damage Mitigation, Aggravation and Repair

The SCCT model suggests a situational factor such as relationship history will intensify the environment in which stakeholders are assessing an organisation in crisis. This intensification will challenge the effectiveness of the model's recommended matched response strategy, thus necessitating the implementation of a higher level response. However, further refinement of the model and subsequent advice to managers drawn from the model has been limited by the inability of many studies to show exactly what impact different response strategies have in an intensified and non-intensified environment. This study's methodological approach of experimental investigation using measurement across time was designed to address this limitation to further model development.

Research Question 6

How does an organisation's relationship history and its response to a crisis from different crisis clusters influence stakeholder perceptions of its reputation and legitimacy?

Research Question 7

How does responsibility mediate the influence of an organisation's relationship history and its response to a crisis from different crisis clusters on stakeholder perceptions of its reputation and legitimacy?

Main effects for all of the independent variables tested in this study (crisis cluster, response strategy, organisational age and relationship character) on either one or both of the dependent variables or responsibility were established in the final experiment as outlined in Figure 43.

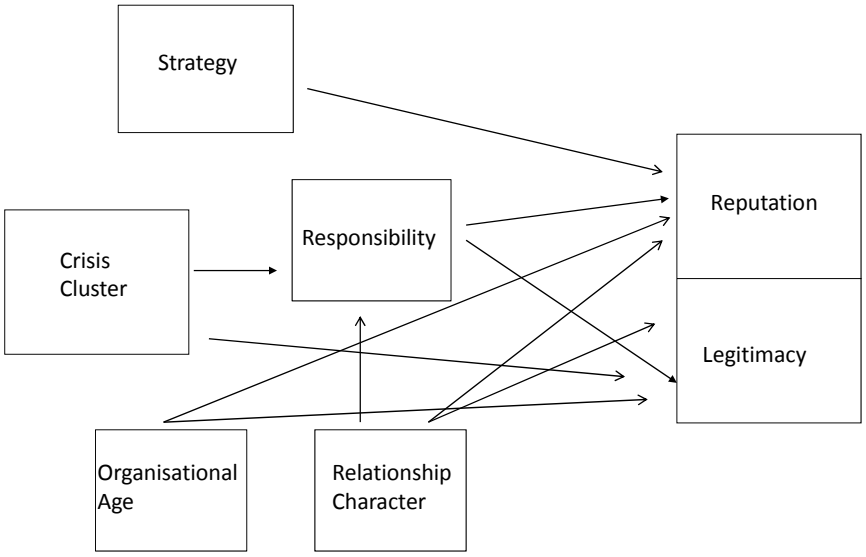

Figure 43: Main effects on stakeholder perceptions of reputation and legitimacy established in Experiment 6

Some of the hypothesised significant interactions were also established. A four-way interaction was found for crisis cluster, strategy, organisational age and relationship character on the dependent variable of legitimacy. The two subattributes of relationship history (organisational age and relationship character) were also established as interacting to impact stakeholder perceptions of an organisation's reputation and legitimacy following a crisis event. The two significant interactions established in the final experiment are outlined in Figure 44, alongside the key main effects for strategy and crisis cluster established earlier.

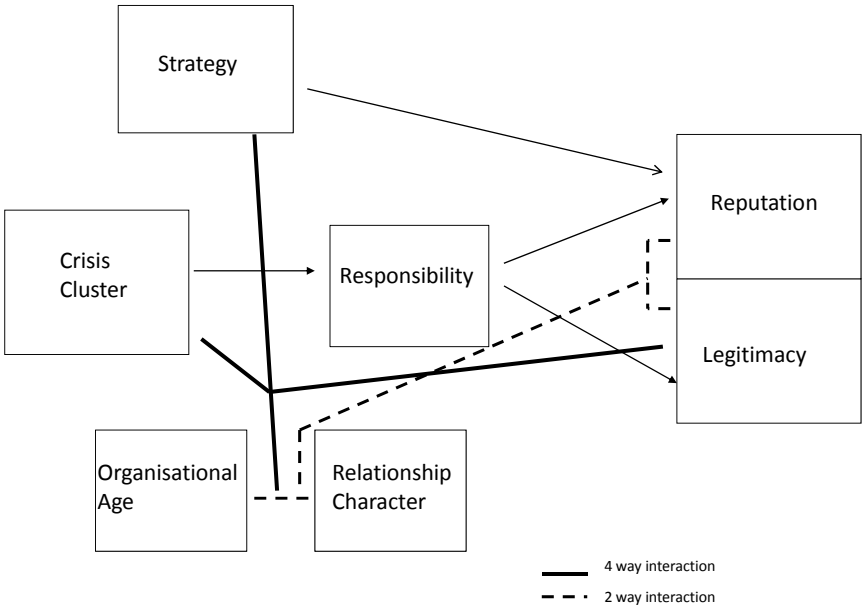

Figure 44: Significant interaction effects and key main effects established in Experiment 6

As the previous experiments in this series had shown, the reparative powers of many of the response strategies were limited. Some of the strategies were effective in reducing further damage to the organisation but there were few instances when the damage caused by the event could be reversed. However, the final experiment showed that more effective protection came when the strategy was run by an organisation which had the positive attributes of maturity (organisational age) and positive relationships with community stakeholders (relationship character).

Damage Reduction and Repair through Positive Intensifier

For the victim cluster, the matched strategy (deny) in the presence of the positive intensifier of a mature organisation with positive relationship character was sufficient to reduce the reputational damage done from the crisis event. Once the participants learned that the organisation was mature and had a positive relationship with the community, they assessed the organisational response more positively. Some of the damage from the crisis event was reversed with a significant increase in reputation and legitimacy scores from the time of the crisis event for this combination of relationship history and response. A similar result occurred for the

accident cluster. Thus, the positive relationship history created a favourable frame for the organisation in crisis through which stakeholder judgments were made.

A three-way interaction of strategy, relationship character and organisational age on organisational responsibility was just outside the significance test at p=.06. The mediation tests through responsibility helped explain the additional protective powers of the strategy when run in an environment where stakeholders knew relevant information on the company's relationship history. As outlined in Figure 45, responsibility was established as mediating the influence of the relationship character aspect of relationship history on stakeholder judgments of legitimacy. The relationship character information intensified the environment in which the stakeholder judgments were made and this effect was sufficient to see a shift in allocations of organisational responsibility which also then led to a shift in legitimacy scores. A positive intensification was more likely to lower responsibility and see an increase in legitimacy scores whereas a negative intensification was more likely to increase responsibility with a subsequent decline in legitimacy scores.

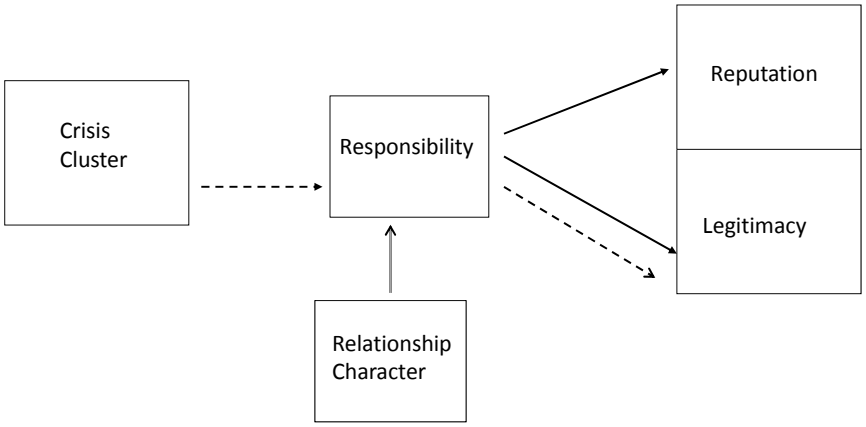

Figure 45: Two mediation paths through responsibility established in Experiment 6

Aggravation Effect of Negative Intensifier

The potential for a positive frame is an important aspect for a public relations manager to understand and exploit both prior to a crisis event and during one. However, greater management attention is likely to be focused on the situational factors that may lead to a negatively intensified environment as the stakes are higher. This environment could reduce the effectiveness of a planned organisational strategy and/or lead to further unintended damage to the organisation. The Stage Four experiment in this study confirmed the predicted influence of a negative intensifier. A new organisation with a negative relationship character was consistently seen as operating within a negatively intensified environment with harsher stakeholder judgments on responsibility, reputation and legitimacy. This environment makes it very difficult for any organisational response to protect the company. The matched strategy in the face of this negative information could not hold stakeholder judgments on reputation and legitimacy and further damage was done to the organisation when it ran this strategy. Contrary to the predictions by Coombs (2004) within the SCCT model, a step up strategy did not provide a more positive outcome as the negative judgments through this particular construction of relationship history were too strong. The negative information created a complete negative envelope around the organisation. In the face of such strong negativity, the organisation had to run a response at the other end of the strategy spectrum to see any benefits to its reputation and legitimacy. Thus, organisations knowing that they suffer from these negative intensifier conditions would need to have very modest goals for their organisational strategy and look for other approaches to rebuild their reputation and legitimacy post the crisis event.

Continuum Approach to Relationship History and its Impact on Strategy Outcomes

The results from this study support the conceptualisation of the relationship history construct as a continuum. At the most positive end is the organisation that is mature and has positive relationships with the community. This organisation has a protective halo through which the organisational strategy is assessed. So for example, when an organisation with this protection provides an excuse for a crisis such as a factory explosion, its lack of intent is believed with an increase in its reputation and legitimacy scores from the time of the crisis event and a decline in its

assigned responsibility. The participants in this study appeared willing to accept that an accident could happen to anyone and the organisation should be given another chance. At the other end of the continuum is the organisation that is new and has already been seen to have negative relationships with the community. A negative frame is present when the stakeholders are making their judgments. When the organisation runs exactly the same strategy as the organisation with the positive frame, it continues to be held responsible for the crisis event and sees a significant decrease in its reputation and legitimacy. There was no benefit of the doubt given to the organisation with the negative frame.

With the ends of the continuum anchored, the intensifier effects of the other combinations can be considered. The new organisation that had already established positive relationships with the community had started to establish its protective frame but this wasn't as strong as for the mature organisation across different crisis types. This slightly weaker frame when combined with a recommended (matched) strategy saw judgments on responsibility either being maintained or declining and the subsequent reputation and legitimacy increasing. So this combination was closest to the positive end of the continuum as outlined in Figure 46.

The final combination of a mature organisation with negative relationships with the community saw a reverse of the assumed protection of increased age. In this case, the maturity of the organisation was seen to reflect ongoing negative relationships with the community, that is, a pattern of behaviour that was seen as a negative by the participants in the study. So while not consistently creating as negative an impression as the new organisation with negative relationship characteristics, this relationship history combination was still seen as a negative intensifier which made it more difficult for the organisational response to bring any benefits to the organisation. Thus, this combination needs to sit closer to the negative end of the continuum.

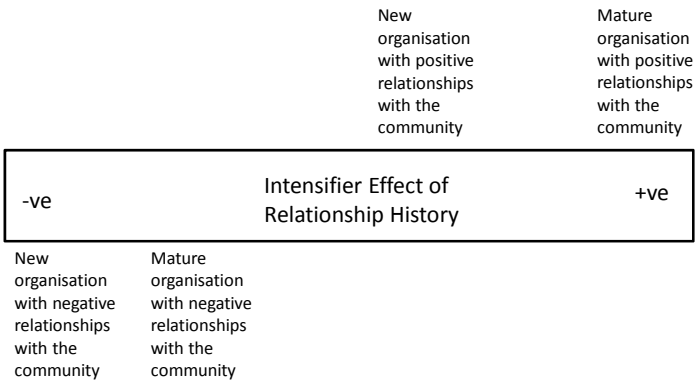

Figure 46: Continuum of relationship history intensifier effect

In examining reputation damaging events, Rhee and Valdez (2009) specifically call for empirical testing of contextual factors such as organisational age so that managers and researchers can better understand why two firms that experience the same event suffer different outcomes. If different firms experience different levels of difficulty in repairing their reputation due to the relevant contextual factors, they will need to use different crisis strategies. This is similar to the logic chain built into the SCCT model (Coombs & Holladay, 2001). The analysis of the relationship history construct in this series of experiments demonstrating specific types of intensifier effects adds to the body of knowledge on these factors.

Strategy Choices and Contextual Factors: Refining the Step Up Recommendations of SCCT

Learning from others and the benefits or disadvantages of different organisational characteristics are important components in developing effective business strategy. However, when faced with a crisis situation, the crisis manager must deal with the state of the organisation as it is and thus, they are primarily concerned with the choices they have at the time and the expected outcomes of different strategies. This problem was also examined in this study to identify how the intensifying effect of

relationship history could change organisational outcomes. While the increased negativity of different intensifier combinations was demonstrated in Experiment 6 by comparing the outcomes when different organisations ran the same strategy, it was equally confirmed when assessing the outcomes for different strategies within each organisation. An organisation with the most negative intensifier (new and negative relationship character) needed to move two steps along the response continuum (that is, from the deny to deal posture) if it was to see any positive movement in its reputation score and even that extreme move from a strategy that denies responsibility to one that deals with high levels of responsibility still didn't see any movement in its legitimacy standing. The negative assessment on relationship character was severely overshadowing any other assessment the stakeholders could make. Whereas for the second most negative intensifier of a mature organisation with a negative relationship character, moving one step along the strategy continuum (deny – diminish; diminish – deal) did have a positive outcome. This gives partial support to Coombs (2004) broader proposition within the SCCT that an organisation operating in an intensified environment needs to run a higher level strategy but cautions managers against taking such action without a full assessment of the strength of the negative intensification. That is, not all relationship history intensifiers are the same, therefore, a step up strategy might work with one type of intensifier but not for a different intensifier.

Considering Responsibility as a Moderator

Responsibility was conceptualised in this study as a mediator, given its underlying link to the formation of the crisis clusters and its central focus in much of the strategy development. While the tests for mediation on cluster were established in a number of places, the conditions were not met for strategy in Stage Four of this study. This is despite an examination of many of the 24 different conditions in the final experiment showing significant differences among many of the combinations of cluster, strategy and relationship history.

This may suggest that responsibility is acting with strategy to influence reputation and legitimacy judgments rather than mediating this relationship. While not the goal of this study, the conceptualisation of responsibility as a moderator was established

in the final experiment with the four significant interaction effects outlined in Figure 47.

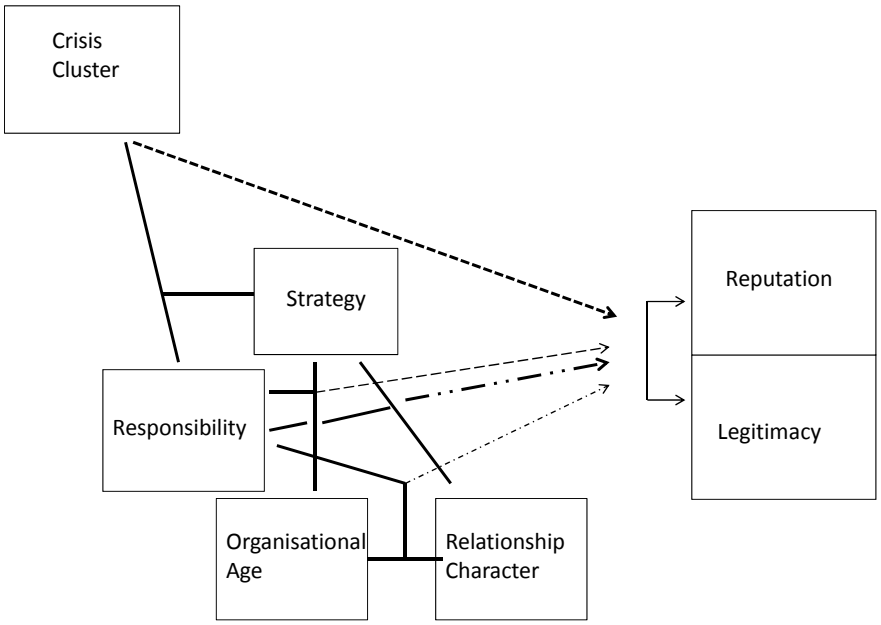

Figure 47: Interaction effects with responsibility as a moderator established in Experiment 6

As is demonstrated in this figure, responsibility is linked with all of the independent variables in this study, confirming its centrality to the understanding of changes in judgments of reputation and legitimacy. In each of the four interactions established, the high levels of organisational responsibility when combined with the other independent variables (e.g. cluster and strategy; strategy and organisational age; strategy and relationship character or organisational age and relationship character) resulted in lower scores for reputation and legitimacy. Similarly, the low levels of organisational responsibility combinations resulted in higher scores for reputation and legitimacy. The results for the mid range scores for responsibility and the results in the accident cluster which by definition has less clear assignment of responsibility were less definitive and led to mixed results that were sometimes resulting in lower reputation and legitimacy scores than the low levels of responsibility and sometimes showing little difference. This study has taken steps towards a better understanding of these relationships but further detailed research is needed before a full explanation of the complexities of the relationships can be provided.

Theoretical Contributions and Managerial Implications

The findings from this study make a number of contributions to theory development and testing in crisis management and assessments of professional practice.

Demonstrating Impacts on Stakeholder Perceptions: Explicating Crisis Event Damage and Protective Powers of Strategy through Methodology

Firstly, through the methodological approach of pre- and post-crisis testing and repeated measures analysis, this study has responded to calls for more time series research in crisis management (Fediuk et al, 2010; Pace et al, 2010) to better understand how stakeholders respond to company actions during a crisis event. Specifically, this study has shown how stakeholder judgments on organisational reputation and legitimacy and the associated attribution of organisational responsibility for a crisis change over time, and the influence of different types of information on these changes. While many crisis researchers comment on the danger to organisational assets of a crisis situation, this study has shown the direct impact of different crisis events on stakeholder judgments on reputation and legitimacy with pre-crisis scores declining significantly in the face of the crisis event. Differential declines were reported for different types of crisis confirming the importance of understanding the consequences of the crisis event in crisis management models.

This study has also contributed to a stronger theoretical understanding of the organisational response strategy work of researchers such as Bradford and Garrett (1995), Coombs and Holladay (1996), Coombs and Schmidt (2000), Dean (2004), Lee (2004, 2005) and Lyon and Cameron (1998, 2004) by examining the impact of different categories of response on stakeholder attributions of responsibility, reputation and legitimacy within the one experimental setting and tracking the changes in stakeholder judgments over time. The distinct methodological approach applied in this study has elucidated the extent of the protective powers of response strategy and showed the relatively limited effect response strategy by itself has on stakeholder judgments once the initial attributions of responsibility for a crisis are established. While the matched strategy approach of Coombs (2007) was supported generally through this study, the findings should help crisis researchers and crisis managers see the limited effect of strategy within the different crisis types, thus

necessitating the setting of modest goals for the outcome of the immediate crisis response. This study's findings show that the protective powers of strategy need to be understood in terms of protecting against further damage from a crisis event as well as repairing all damage done through the crisis. This study contributes to a better theoretical understanding of the mechanisms that drive mitigation versus aggravation (Rhee & Valdez, 2009). It does this by showing how strategy intervention alone impacts stakeholder judgments on reputation, legitimacy and responsibility as well as when strategy is assessed in conjunction with other contextual factors. This contribution needs to be considered in the context of only a limited range of variables being tested in this study as is common in the experimental tradition. Strategy may have a greater impact on other variables which are also important for the overall management of the crisis by an organisation, but these were not tested in this study.

Refinement of Intensifier Impact and Relevant Factors Influencing Relationship History Assessments

Intensifiers have been identified as an important piece of the crisis management puzzle (Coombs, 2010) and are cited widely as needing to be considered in strategy selection (see for example, Crandall et al, 2010; Dawar & Pillutla, 2000; Dean, 2004, Massey, 2001). However, there has been very limited research to date that has explicated the impact crisis intensifiers have on how stakeholders assess organisations in crisis and their post-crisis actions. This study has made a significant contribution to the understanding of one of the recognised crisis intensifiers, the pre-crisis organisational attribute of relationship history (Lyon & Cameron, 1998, 2004; Coombs & Holladay, 2001, 2010). It has provided a detailed analysis of how relationship character acts on judgments of organisational reputation and legitimacy both pre and post-crisis and has shown the mediating role that organisational responsibility for a crisis plays in these judgments. Coombs & Holladay (2001) proposed that intensifiers operate either directly or indirectly on reputation albeit limited research in this area has been undertaken to help clarify the effect and its path. Earlier research favoured an indirect effect (Coombs & Holladay, 2001) given the strong hypothesised links with responsibility, later research favoured a direct effect on reputation (Coombs, 2006) whereas more recent explanations have again implied a mediated effect (Coombs, 2010). The direct effect was confirmed in this

study for organisational reputation, however, an indirect effect through responsibility was established for the organisational asset of legitimacy.

Given the broader recognition of the potential impact of relationship history as an intensifier, this study sought to contribute to the understanding of the dimensions of this intensifier and what may strengthen or weaken its effect. This study has contributed to a recasting of this intensifier by also considering the impact of an organisation's age within the auspices of relationship history as liability of newness for organisations had been linked through prior studies to negative legitimacy judgments. This study's results show the impact of an organisation's age on judgments of its reputation and legitimacy and how age-related information acts in conjunction with the organisation's relationship character as an intensifier in a crisis situation. Maturity and positive relationships with the community were found to create a strong positive frame for an organisation which provided a buffer against negative stakeholder judgments in a crisis. On the other hand, a new organisation that had poor relationships with the community had no protection against negative judgments and suffered significant damage to its reputation and legitimacy. A continuum of the dimensions of the relationship history intensifier has been proposed and can be further tested with other crisis types and strategies as well as other intensifiers. The continuum approach developed in this study could now be used to map the impact of other intensifiers, whilst recognising the influences of both positive and negative attributes of any intensifier.

Deeper Understanding of the Impact to Organisations of Stakeholder Perceptions of Crisis Responsibility

Coombs (2010) argues that responsibility is the central feature of the SCCT modelling as understanding how people attribute crisis responsibility to an organisation is 'critical for an organisation in crisis' (An et al, 2011, p. 71). This study has made a significant contribution to better understanding the modelling of the dynamics of stakeholder judgments on organisational responsibility for a crisis. The study has confirmed how a crisis event leads to judgments on organisational responsibility that, once made, are very difficult for an organisation to change through its own statements.

Change in stakeholder judgments was demonstrated though when third party assignment of responsibility was made and the repeated measures analysis drawing from multiple data collection periods showed the extent of this change. The role of responsibility as a mediator was extensively tested across multiple crisis types and strategy options as well as with the intensifier of relationship history. The crisis event and the relationship character aspect of relationship history were found to be acting on the organisational assets of reputation and legitimacy through responsibility, with differential impacts for each of the dependent variables. While the logic of many of the crisis response models imply mediation through responsibility, there has been limited empirical testing of this specific relationship. Most testing of the relationship between responsibility and relevant dependent variables has been through correlation methods. While correlation at specific periods of time was used in this study as well, the experimental design of multiple intervention points and the associated repeated measures analysis has provided more explicit testing of the mediation role played by responsibility in stakeholder judgments following a crisis event. This experiment has also expanded the previous tests of the role of responsibility on reputation to that of its role in legitimacy judgments.

Empirical Tests of Stakeholder Perceptions of Reputation and Legitimacy as Discrete Constructs

This study has provided additional evidence to support the claims by Deephouse and Suchman (2008) and Staw and Epstein (2000) of the distinctiveness of the different organisational assets of reputation and legitimacy. These differences have rarely been tested through empirical studies directly with stakeholders given the limited number of direct stakeholder studies within legitimacy research. While strong associations were found through the studies, areas of difference emerged. In general, larger effects sizes were established for the influence of response strategy on reputation judgments than on legitimacy, which may suggest greater stability in judgments of legitimacy once made or the limited ability of the response strategies to address the complexity of the legitimacy construct which covers organisational qualities, external endorsement and normative activity. An et al (2011) drawing from work of Boyd (2000) and Hearit (1994) suggest that organisations select response strategies ‘not only to minimize organisational crisis responsibility and

damage to the organisation's reputation, but also to re-establish the organisation's legitimacy' (p. 71), thus the analysis of this path of influence through studies such as this one is of interest to crisis researchers and managers.

Confirming SCCT Matching Propositions for the Organisational Asset of Legitimacy

Legitimacy management is a growing area of interest within the public relations academic community (see for example Bartlett et al, 2007; Holmstrom, 2005) as organisations look for competitive advantage in a fast changing business environment. However, Suchman (1995) suggests the management of legitimacy by organisations in crisis is the least researched area within the broader legitimacy domain (Suchman, 1995). Testament to Suchman's claim is the lack of organisational legitimacy as an identified subject area in the recently published Handbook of Crisis Communication (Coombs & Holladay, 2010) despite in excess of 700 pages of analysis on crisis management. This study has contributed to the growing body of work in legitimacy management by specifically testing the effect of the underlying propositions of one of the most researched crisis models on legitimacy judgments. Given the association between reputation and legitimacy, the propositions of the model were expected to hold true for legitimacy, however, it is important to test such assumptions in model development (Coombs & Holladay, 2010). This study showed that the basic propositions within the SCCT model including that of an intensifier effect had similar effects on reputation and legitimacy, however, the strength of these effects were often different, reflecting the differences in the constructs. Thus, organisations in crisis need to be conscious of the actions they are taking to protect their organisational assets and that different actions may be needed depending on what they are trying to achieve.

This study has also contributed to the emerging area of direct stakeholder research on legitimacy, leveraging from the earlier work of third party and desk audit research on this construct. The findings of this study show that stakeholders are making discrete judgments on an organisation's legitimacy status and these judgments are influenced by situational factors such as an organisation's relationships with the community.

Demonstrating the Outcomes of Strategy Choices – Enhancing Managerial Guidance Drawn from the SCCT for Protection and Repair

The collective and specific findings of this study provide guidance for crisis managers on their planning for a potential crisis event as well as the selection of their response during a crisis event. The findings help crisis managers using the SCCT framework to more specifically match their selection to their goals which may include stabilising the crisis situation and protecting against further damage or trying to repair the damage already done. Coombs (2010) argues that crisis communication research is meant to be applied and more evidence-based research is needed in the discipline to overcome advice that is grounded on speculation or accepted wisdom.

The findings of this study confirm the need for crisis managers to consider the damage that may be suffered by their organisation in different types of crisis events. This damage occurs to both the organisation's reputation and legitimacy. While the SCCT model has recommended the use of a matched strategy, this study has shown that the matched strategy at best is likely to maintain judgments on reputation and legitimacy determined by stakeholders at the time of the crisis event. That is, the protective powers of the matched strategy were that no further harm was done as congruence between the organisation's actions and stakeholder expectations was achieved. Crisis managers need to be cautioned against assuming this protection extends to the repair of the damage done through the crisis event. To take the organisation back to its pre-crisis levels, highly accommodative strategies needed to be implemented which have the potential to create further liabilities for the organisation over and above those associated with the damage to their reputation and legitimacy. Achieving better outcomes with even the most highly accommodative strategies were not guaranteed as results varied across different crisis types making their use even riskier for a crisis manager facing the uncertainty and ambiguity surrounding a crisis event.

When considering the use of the accommodative strategies in crises where organisational responsibility was high, the results of this study suggest that crisis managers do not need to rush to a full apology in order to protect their reputation or legitimacy from further damage. The three accommodative strategies used in this study of offering compensation to victims, offering a full apology and simply

reminding the stakeholders of the previous good works of the organisation had very similar effects on the reputation and legitimacy judgments made by stakeholders following the crisis event. Thus stemming further damage to the organisation could be achieved without the response strategy leading the company into territory of greater legal liability. Reputation and legitimacy damage from the event was still experienced by the organisation so the benefit of taking aggressive action to try and recover this and potentially failing compared with accepting some of this damage in the short term and looking for longer term options to repair the damage needs to be considered.

The demonstration through this study of both the positive and negative intensifier effect of relationship history provides crisis managers with further support for the value of their ongoing work in building a goodwill bank (Dowling, 2002) for their organisation before a crisis event occurs. The benefits of good community relations when compared with the liabilities of poor community relations were clearly demonstrated in this study. Very succinct statements on relationship character in particular were provided in this study but even this limited detail was sufficient to show significant difference between the treatment groups and to bring out the relative impacts on stakeholder judgments of reputation, legitimacy and organisational responsibility. Crisis managers within organisations that have strong community relationships can exploit this asset during a crisis event and can provide much more detailed support for their relationships through mass media and direct communication channels. The findings of this study would recommend that mature organisations with strong community relationships make this information well known during a crisis event as both their age and their relationship character worked in the organisation's favour during a crisis. However, crisis managers who work with organisations who are new and have poor community relationships need to understand the severity of these negative attributions on any assessments of their organisation and any attempts to present an organisational response during a crisis. The goals set by crisis managers in these organisations need to be far less aspirational than their counterparts working for mature organisations with good community relationships.

The results of this study would caution crisis managers against too readily accepting the generally quoted advice within the SCCT of stepping up their response strategy

in the presence of a negative intensifier until further research has demonstrated the benefits of such a strategy. While no harm to reputation and legitimacy may come from such a step up strategy, it is not clear from this study that any clear benefits would be achieved that outweigh the potential disadvantages that could come from publicly accepting greater levels of responsibility for a crisis. Further research is needed to more clearly identify the advantages and disadvantages of these options, particularly for companies in the higher responsibility categories of crisis event.

Avenues for Further Research

A number of avenues for further research have been identified already in the analysis of the findings for this study, mirroring the call by Coombs (2010) for ongoing research on the recommendations for communication strategy and tactics of the SCCT model. Some of the key categories for further research are discussed below.

Comparing Crisis Types and Strategy Options

The propositions tested in this study have been done so within a limited range of crisis events and with a limited number of response options. Further testing across more of the crisis types within the relevant clusters and with all of the theorised response options will help to provide a stronger foundation for the relationships established in the crisis response models. Response strategies have also been assessed in isolation in this study. Further testing with combinations of responses as recommended by Claeys et al (2010) as well as the use of instructing information (Sturges, 1994) will provide crisis managers with further guidance on effective options during crisis.

Implications of Attributed Responsibility

While this study has contributed to a stronger understanding of how to adequately model the role of responsibility in influencing stakeholder assessments during crisis, further research is needed to better understand the mediation and/or moderation role of this important variable. Many of the organisational response frameworks are designed around the ability of the response to either meet or impact stakeholder judgments on organisational responsibility, however, this study and a number of other recent studies (see for example Kim et al, 2009) have failed to establish this direct relationship. Stakeholder-directed research has been identified as an important

part of the crisis management research agenda (Fediuk et al, 2010) as too much of this discipline's earlier focus has been on company-directed research through case studies which make assumptions on what organisations thought they were doing versus how stakeholders interpreted what they were doing. More direct stakeholder research on responsibility judgments is important if the full potential of the response models is to be realised in deepening theory and contributing to practice.

Influence of Organisational Age

This study has demonstrated the attention paid by stakeholders to organisational age once a crisis event occurred. While not significant to stakeholder assessments pre-crisis, this organisational attribute became important when the participants were trying to make sense of the crisis event with the mature organisation scoring higher on reputation and legitimacy than the new organisation. To try and establish the strongest effects possible within the experimental condition, the descriptions for this construct were set at extremes with the new organisation being two to three years old and the mature organisation being twenty years old. Further research on a range of different age limits would help map this construct for greater use in the crisis response models. Qualitative research through interviews or focus groups would also further our understanding of why the organisational age attribute became significant after the crisis event but was not as important beforehand. Given the information on age in the treatment scenarios was very brief, the participants may be using age as a quasi-measure for some other organisational attribute such as reliability or visibility as proposed in Rhees and Valdez (2009) theoretical modelling which could be drawn out with more direct contact with the participants.

Expanding Contexts and Stakeholders

The relationships established in this study have been done so through experiments on a hypothetical company using students as representatives of a non-victim stakeholder group. Further research is needed to test these propositions with real companies in real crisis events with a larger and more representative sample of the community to confirm the predicted outcomes of the SCCT model. With more members of the community accessing their media through non-print formats (social media, online media, broadcast media), research with stimuli material in other formats would also strengthen the managerial implications of this study's findings.

Limitations

Like all research, the findings of this study need to be considered in the context of its goals and its design limitations. As its starting point, this study sought to refine the propositions and recommendations contained within the SCCT model given its widespread use within the crisis literature and to provide explanatory depth to strategy outcomes and the intensifier effect of relationship history. In doing so, the study's design was primarily generated from the existing literature on the model which draws together the key concepts represented in the model. A crisis event is a highly complex environment involving many stakeholders and many paths of influence on the outcomes for organisations. Thus, no one model can explain all levels of this complexity or the related influencing factors. The findings of this study are limited by its focus on the key components within the SCCT model, however, there is still much testing needed to fully explicate the paths of influence for these identified components.

A number of limitations relate to the use of experimental design and the sampling strategy as outlined in Chapter 3. The use of experimental methods creates an artificial experience for the participants in the study, hence the judgments they make in this created environment may not match their judgments during a real crisis event. However, some crisis researchers (for example, Coombs & Holladay, 2001) suggest that reading media articles about a crisis event as used in this study may be quite close to a realistic representation of how many non-victim stakeholders experience a crisis, therefore, the method may not be as dissimilar from the lived experience as first thought. The participant responses may also be influenced by topic resonance with some topics used in the scenarios more relevant or more distant to the sample groups.

The absence of a formal control group in the experimental method used in this study limits the internal validity (Rosnow & Rosenthal, 1996), however, this limitation was weighed against the practical issues of introducing control mechanisms in all experiments thereby substantially increasing the required sample size. The size of the samples achieved across the six experiments met the recommendations for minimum sample sizes per cell under investigation (Bernard, 1994; Tabachnik & Fidell, 2001), however, larger sample sizes for the more complex experiments may

have drawn out more of the hypothesised relationships that were established on trend data but did not meet the significance tests.

The study used student samples for the experiments which led to some sacrifices on external validity. The students were drawn from multiple disciplines within multiple universities and across undergraduate and postgraduate classes to enhance the diversity of the sample although it is recognised that the discipline foci and student characteristics may have had some level of influence on their responses. While common in similar studies (Massey, 2001; Coombs, 2004; Dean, 2004, Haigh & Brubaker, 2010), the results from the student population cannot be generalised to a wider community.

The study also used a hypothetical company for its stimuli with information on the company limited to reduce the effect of confounding variables. While useful for the experimental design, real organisations cannot limit what is known and not known about them, particularly in the technology driven social media environment. Thus, the impact of other variables on strategy selection would need to be considered in any guidance to crisis managers.

While significant relationships can be established through appropriate analysis, effect sizes within social science studies are often small. Thus, the managerial implications of the findings need to be considered in terms of the realistic difference in outcomes based on small effects. As shown through Experiment 4, changing the variables under investigation to directed rather than assessed by the participants substantially changed the effect sizes, however, this does not represent real practice of the association between the variables.

While more than 20 different combinations of the four independent variables under study were used in the final experiment, this study has been limited primarily to three types of crisis events and thus, interpretation of the results should be undertaken within that constraint and not readily generalised to other crisis types such as rumours or product tampering. Further testing with other events would be useful to confirm the results. Similarly, only a limited number of organisational responses were used, with a number of options available to companies (such as attacking the accuser and justification) not assessed. Very limited testing of a full apology was undertaken in this study and this strategy was not used in the final

experiment so its possible interaction with relationship history would still need to be assessed.

The scales used in this experiment for the dependent variables of reputation and legitimacy were replications of those used in similar experiments to assist comparative outcomes. However, there is no single accepted scale for either of these constructs, nor complete agreement on what they represent given they are multidimensional social constructions (see for example, Fombrun & Shanley, 1990). Strong associations were found across the experiments for reputation and legitimacy as related constructs although differences in the strength of the outcomes were demonstrated on a number of occasions. The correlation of these dependent variables while useful from a theoretical standpoint may also have reduced the power of the MANOVA tests used throughout this study (Tabachnik & Fidell, 2001), thus statistically significant relationships may have been overlooked in the analysis.

The study has used a test-retest methodology to collect data which may lead participants to focus more closely on the variables under study than they would in a field environment (Babbie, 2004). This limitation was considered against the benefit of being able to test the changes in the key variables as outlined earlier which is a major contribution of this study to the crisis management literature.

Finally, the possibility of confounding variables (Stone-Romero & Rosopa, 2008) also limits the study's findings. The decisions of stakeholders in a crisis situation are complex and may involve a range of factors. The experimental nature of this project tried to focus attention on the variables under study with care taken to limit any additional information that was provided as contextual information on the company and the crisis event, however, it is possible that other non-tested variables accounted for some of the decisions made.

Conclusion

This study has examined the relationships between an organisation's relationship history attributes and its response in the face of different crisis situations and judgments made by its stakeholder on organisational reputation and legitimacy. It has provided detailed analysis to understand the impact of particular strategy choices on reputation and legitimacy outcomes and the influencing factor of judgments on

organisational responsibility. By doing so, it has helped explain the extent of and limit to the protective powers of an organisation's response following a crisis event and how these powers are influenced by situational factors. The implications of this analysis for theory development and professional practice in crisis management have been demonstrated.

In terms of management practice, the proposed study provides crisis managers with information by which to understand the potential outcomes of different crisis response strategies based on the specific characteristics of their organisation and the crisis they are facing. This approach has the potential to reduce the risk of inappropriate strategy selection and help protect the organisational assets of reputation and legitimacy which are highly valued in the competitive global business environment.

The research findings and analysis contained in this study add to the body of knowledge on crisis management and provide a strong foundation for further research in understanding the impacts and outcomes of an organisation's response during a crisis event.

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Appendix 1: Sample Consent Form

PARTICIPANT INFORMATION for QUT RESEARCH PROJECT

Responses, relationships and responsibility: Examining influences on organizational assets during crisis. (5NR)

Research Team Contacts

Associate Professor Robina Xavier

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Professor Lisa Bradley

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Description

This project is being undertaken as part of a PhD project for Robina Xavier. The purpose of this project is to better understand the impact of a company's response during a crisis event. The research team requests your assistance because it is important that we test some of the accepted practices in crisis management with a large number of participants to better inform research and practice in this area.

Participation

Your participation in this project is voluntary. If you do agree to participate, you can withdraw from participation at any time during the project without comment or penalty. Your decision to participate will in no way impact upon your current or future relationship with QUT or any other university (for example your grades).

Your participation will involve reading some information and completing a set of questionnaires. As you will be participating anonymously, it will not be possible for you to withdraw the completed questionnaires once you have submitted them. It should take you no longer than 20 minutes to read the attached material and complete the questionnaires. The project is being conducted in your class.

Expected benefits

It is expected that this project will not benefit you directly, however, it may benefit organisations faced with crisis and future cohorts of students learning about crisis management.

Risks

There are no risks beyond normal day-to-day living associated with your participation in this project.

The attached material deals with a hypothetical company and a hypothetical situation. It is not intended to replicate any actual event or organisation.

Confidentiality

All comments and responses are anonymous and will be treated confidentially. The names of individual persons are not required in any of the responses.

Consent to Participate

The return of the completed questionnaire is accepted as an indication of your consent to participate in this project.

Questions / further information about the project

Please contact the researcher team members named above to have any questions answered or if you require further information about the project.

Concerns / complaints regarding the conduct of the project

QUT is committed to researcher integrity and the ethical conduct of research projects. However, if you do have any concerns or complaints about the ethical conduct of the project (Ethics Approval No: 0900001098) you may contact the QUT Research Ethics Unit on +61 7 3138 5123 or email ethicscontact@qut.edu.au. The Research Ethics Unit is not connected with the research project and can facilitate a resolution to your concern in an impartial manner.

Appendix 2: Sample Instructions to Participants

INSTRUCTIONS TO PARTICIPANTS

Dear Participant

Thank you for participating in this study.

You have received a package of information which includes:

- A news article profiling a company
- A news article reporting on a crisis event for that company
- A news article reporting on an inquiry into the crisis event.

The articles in this package relate to a company called BellaFoods. BellaFoods is a hypothetical company and all events and responses described in this package are hypothetical. They are not designed to reflect any real company or event.

Please read each news article carefully and answer the questionnaire immediately following each article before proceeding to the next. **Please circle the appropriate number that reflects your answer on the questionnaire. Each scale is the same with a (1) representing that you strongly agree with the statement and a (7) representing that you strongly disagree with the statement.**

At the end of the package there are a few questions that will help us describe the group of participants in this study.

Thank you once again for your help with this project.

Kind regards

Robina Xavier

Appendix 3: Standard Company Information

AUSTRALIAN BUSINESS REVIEW 20 August, 2011

BELLA FOODS

BellaFoods Pty Ltd produces a wide range of preprepared meals for the retail and wholesale sectors. Based in Brisbane, Queensland, the company has manufacturing plants in Brisbane, Cairns and Melbourne and employs just under 2,000 people. BellaFoods products are marketed in Australia, Asia and Europe under the label, Bella. Its marketing strategy highlights its use of all Australian produce. Apart from its retail and corporate catering activities, the company also manufactures products for two other major food companies for sale in the domestic and export markets. BellaFoods was started by siblings, Jonathan and Isabella Toledos. Jonathan is the Chief Executive Officer and Isabella is the National Marketing Director.

Appendix 4: Pre-Crisis Questionnaire

Please circle the number that best reflects your answer to the following questions. The number (1) represents that you *strongly agree* with the statement whereas the number (7) represents that you *strongly disagree* with the statement.

BellaFoods is concerned with the well-being of its stakeholders and the general public.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is basically dishonest.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Under most circumstances, I would be likely to believe what BellaFoods says.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is not concerned with the well-being of its stakeholders and the general public.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a safe organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a legitimate organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a credible organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a good organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods should be allowed to make prepared meals.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods should be allowed to continue operations.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most of the general public would approve of BellaFoods' operating procedures.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods follows government regulations relevant to its industry.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most of BellaFoods' employees would recommend working for the organisation to their friends.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most of the general public would approve of BellaFoods if asked their opinion.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is committed to meeting food manufacturing industry standards in its operations.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most employees would continue working for BellaFoods even if they could get a job with another organisation in the food manufacturing industry.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

NOW PLEASE READ THE NEXT NEWS REPORT AND COMPLETE THE FOLLOWING QUESTIONNAIRE

Appendix 5: Post-Crisis Questionnaire

Please circle the number that best reflects your answer to the following questions. The number (1) represents that you *strongly agree* with the statement whereas the number (7) represents that you *strongly disagree* with the statement.

Circumstances, not BellaFoods, were responsible for the crisis.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

The blame for the crisis lies with BellaFoods.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

The blame for the crisis lies in the circumstances, not with BellaFoods.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is concerned with the well-being of its stakeholders and the general public.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is basically dishonest.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

I do not trust BellaFoods to tell the truth about the incident.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Under most circumstances, I would be likely to believe what BellaFoods says.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is not concerned with the well-being of its stakeholders and the general public.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a safe organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a legitimate organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a credible organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a good organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods should be allowed to make prepared meals.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods should be allowed to continue operations.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most of the general public would approve of BellaFoods' operating procedures.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods follows government regulations relevant to its industry.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most of BellaFoods' employees would recommend working for the organisation to their friends.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most of the general public would approve of BellaFoods if asked their opinion.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is committed to meeting food manufacturing industry standards in its operations.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most employees would continue working for BellaFoods even if they could get a job with another organisation in the food manufacturing industry.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is a victim in the bribery crisis.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

The bribery crisis was an accident.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods could have prevented the bribery crisis.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Appendix 6: Post-Response Questionnaire

Please circle the number that best reflects your answer to the following questions. The number (1) represents that you *strongly agree* with the statement whereas the number (7) represents that you *strongly disagree* with the statement.

Circumstances, not BellaFoods, were responsible for the crisis.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

The blame for the crisis lies with BellaFoods.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

The blame for the crisis lies in the circumstances, not with BellaFoods.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is concerned with the well-being of its stakeholders and the general public.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is basically dishonest.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

I do not trust BellaFoods to tell the truth about the incident.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Under most circumstances, I would be likely to believe what BellaFoods says.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is not concerned with the well-being of its stakeholders and the general public.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a safe organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a legitimate organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a credible organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Bella Foods is a good organisation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods should be allowed to make prepared meals.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods should be allowed to continue operations.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most of the general public would approve of BellaFoods' operating procedures.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods follows government regulations relevant to its industry.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most of BellaFoods' employees would recommend working for the organisation to their friends.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most of the general public would approve of BellaFoods if asked their opinion.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is committed to meeting food manufacturing industry standards in its operations.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Most employees would continue working for BellaFoods even if they could get a job with another organisation in the food manufacturing industry.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods is a victim in the bribery crisis.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

The bribery crisis was an accident.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods could have prevented the bribery crisis.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods reminded stakeholders of their past efforts to help the community before the bribery crisis.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods showed compassion to those affected by the bribery crisis.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods took full responsibility for the bribery crisis and asked for forgiveness.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods' statement in response to the bribery crisis has influenced my perception of the company's reputation.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods' statement in response to the bribery crisis has influenced my perception of the company's legitimacy.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

BellaFoods' statement in response to the bribery crisis has influenced my perception of responsibility for the crisis.

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

Additional information

In which course type are you enrolled? Undergraduate Postgraduate

What is your gender? Male Female

In what year were you born? (e.g. 1989) _____

What is your ethnicity?

Aboriginal or Torres Strait Islander Caucasian Hispanic Asian
African

Other (please describe) _____

END OF QUESTIONNAIRE

THANK YOU FOR YOUR PARTICIPATION. PLEASE RETURN THE PACK TO YOUR LECTURER.

Appendix 7: Experiment 1 Crisis Event

AUSTRALIAN BUSINESS REVIEW 20 September, 2009

Accident at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following an accident at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as emergency vehicles rushed to the site following an explosion at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the cause of the explosion, it is believed that a food preparation vat exploded under high pressure, killing the operator of the vat and injuring nearby workers.

The name of the deceased employee has not been released. Three employees were taken to hospital with severe burns while others were treated on site for abrasions and minor burns.

The site was immediately evacuated following the accident with the plant's more than 150 workers spilling out into Lassiter Street, Rocklea. One employee who didn't wish to be identified said the explosion happened just after shift change.

"We had just started the late shift when suddenly there was a large bang and the whole building shook," he said. "There was steam everywhere and people started screaming and I just ran as fast as I could to get out."

It is understood that the plant will remain closed today with investigations into the cause of the accident set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 8: Experiment 1 Deny Response

AUSTRALIAN BUSINESS REVIEW 21 September, 2009

Employee Killed in Tank Accident

By Michael Tunsley

Police have confirmed that a tank used to process food under high pressure exploded yesterday at the Rocklea plant of BellaFoods, killing one person and seriously injuring three others.

Detective Superintendent Bruce Hawker said that the accident happened shortly after 4.15pm yesterday, with the exploding tank killing its operator and injuring a number of others.

"Our investigations are focusing on the tank at present and what led to the explosion," Detective Hawker said. "We are checking all maintenance records at the plant as well as the previous shift reports to see if anything can be identified that might have caused the accident."

BellaFoods CEO, Mr Jonathan Toledos said that he was confident that the police would find nothing in the company's operations that could have led to the accident.

"We enforce the highest safety levels in our plants at all times," Mr Toledos said. "If there was something wrong with that tank, it wasn't our fault. We should all be asking questions of the people who made the tank. They are the ones responsible for this."

The deceased worker's details have not been released. Three other employees remain in hospital following the accident.

The BellaFoods plant remained closed today while investigations continue into the accident. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 9: Experiment 1 Diminish Response

AUSTRALIAN BUSINESS REVIEW 21 September, 2009

Employee Killed in Tank Accident

By Michael Tunsley

Police have confirmed that a tank used to process food under high pressure exploded yesterday at the Rocklea plant of BellaFoods, killing one person and seriously injuring three others.

Detective Superintendent Bruce Hawker said that the accident happened shortly after 4.15pm yesterday, with the exploding tank killing its operator and injuring a number of others.

"Our investigations are focusing on the tank at present and what led to the explosion," Detective Hawker said. "We are checking all maintenance records at the plant as well as the previous shift reports to see if anything can be identified that might have caused the accident."

BellaFoods CEO, Mr Jonathan Toledos said that the explosion was a tragic accident.

"We take all safety precautions in our factories but unfortunately sometimes accidents happen when you are working with machinery," Mr Toledos said. "We never intended for this to happen."

The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the accident. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 10: Experiment 1 Deal Response

AUSTRALIAN BUSINESS REVIEW 21 September, 2009

Employee Killed in Tank Accident

By Michael Tunsley

Police have confirmed that a tank used to process food under high pressure exploded yesterday at the Rocklea plant of BellaFoods, killing one person and seriously injuring three others.

Detective Superintendent Bruce Hawker said that the accident happened shortly after 4.15pm yesterday, with the exploding tank killing its operator and injuring a number of others.

"Our investigations are focusing on the tank at present and what led to the explosion," Detective Hawker said. "We are checking all maintenance records at the plant as well as the previous shift reports to see if anything can be identified that might have caused the accident."

BellaFoods CEO, Mr Jonathan Toledos said that the company's immediate focus was on helping its injured employees and the family of the deceased man.

"We all want to know what caused the accident but right now, we just want to take care of our people," Mr Toledos said. "We are providing medical assistance and counselling to all who need it and will continue to pay our staff while the plant remains closed as we don't want them to suffer any further hardship. We will do everything we can to help the family of our employee who died in the accident."

The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the accident. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 11: Experiment 2 Crisis Event (A)

AUSTRALIAN BUSINESS REVIEW 13 April, 2010

Shooting at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following a shooting at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as police and emergency vehicles rushed to the site following sounds of gunfire at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the details of the shooting, it is believed that a former employee entered the premises around 4.00pm, proceeded to the production line and shot his former supervisor and two of his fellow workers. After a 30 minute standoff with police, a man was taken into custody.

The name of the deceased employee has not been released. Three employees were taken to hospital, two with gunshot wounds and one suffering from a suspected heart attack. Others were treated on site for shock.

The site was immediately evacuated following the shooting with the plant's more than 150 workers spilling out into Lassiter Street, Rocklea. One employee who didn't wish to be identified said the shooting happened just after shift change.

"We had just started the late shift when we heard a loud noise that sounded like shots being fired," he said. "There was steam everywhere as one of the bullets went through a high pressure pipe and people started screaming and I just ran as fast as I could to get out."

It is understood that the plant will remain closed today with investigations into the cause of the shooting set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 12: Experiment 2 (A) Deny Response

AUSTRALIAN BUSINESS REVIEW 14 April, 2010

Former Employee Kills Supervisor in Factory Shooting

By Michael Tunsley

Police have charged a 45 year old man from the Brisbane suburb of Sherwood with murder, attempted murder and grievous bodily harm over the shootings at the Rocklea plant of BellaFoods on Monday. One person was killed in the shooting and three others were taken to hospital, two with gunshot wounds and one suffering a suspected heart attack.

Detective Superintendent Bruce Hawker said that the shooting happened shortly after 4.15pm on Monday, when the man, a former employee of BellaFoods who had been dismissed from the company before Easter, entered the premises and shot his former supervisor and two colleagues on the production line.

"Our investigations are still ongoing but we can confirm that the man entered the premises with the firearm before proceeding to the production line," Detective Hawker said. "At this stage we do not know the motive behind the shooting."

BellaFoods CEO, Mr Jonathan Toledos denied his company was responsible in any way for the shootings and said that he was confident the police would find nothing in the company's operations or safety procedures that could have led to the shooting.

"We should all be asking questions of the man in custody," Mr Toledos said. "He is the one totally responsible for this. We enforce the highest safety levels in our plants at all times. The shooting is not our fault and we have done nothing wrong."

The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 13: Experiment 2(A) Diminish Response

AUSTRALIAN BUSINESS REVIEW 14 April, 2010

Former Employee Kills Supervisor in Factory Shooting

By Michael Tunsley

Police have charged a 45 year old man from the Brisbane suburb of Sherwood with murder, attempted murder and grievous bodily harm over the shootings at the Rocklea plant of BellaFoods on Monday. One person was killed in the shooting and three others were taken to hospital, two with gunshot wounds and one suffering a suspected heart attack.

Detective Superintendent Bruce Hawker said that the shooting happened shortly after 4.15pm on Monday, when the man, a former employee of BellaFoods who had been dismissed from the company before Easter, entered the premises and shot his former supervisor and two colleagues on the production line.

"Our investigations are still ongoing but we can confirm that the man entered the premises with the firearm before proceeding to the production line," Detective Hawker said. "At this stage we do not know the motive behind the shooting."

BellaFoods CEO, Mr Jonathan Toledos said that the shooting was a tragic accident that could have happened to any organisation.

"We take all safety precautions in our factories but unfortunately sometimes accidents happen when people are involved," Mr Toledos said. "We never intended for this to happen."

The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 14: Experiment 2 (A) Deal Response

AUSTRALIAN BUSINESS REVIEW 14 April, 2010

Former Employee Kills Supervisor in Factory Shooting

By Michael Tunsley

Police have charged a 45 year old man from the Brisbane suburb of Sherwood with murder, attempted murder and grievous bodily harm over the shootings at the Rocklea plant of BellaFoods on Monday. One person was killed in the shooting and three others were taken to hospital, two with gunshot wounds and one suffering a suspected heart attack.

Detective Superintendent Bruce Hawker said that the shooting happened shortly after 4.15pm on Monday, when the man, a former employee of BellaFoods who had been dismissed from the company before Easter, entered the premises and shot his former supervisor and two colleagues on the production line.

"Our investigations are still ongoing but we can confirm that the man entered the premises with the firearm before proceeding to the production line," Detective Hawker said. "At this stage we do not know the motive behind the shooting."

BellaFoods CEO, Mr Jonathan Toledos said that the company's immediate focus was on helping its injured employees and the family of the deceased man.

"We all want to know what led to the shooting but right now, we just want to take care of our people," Mr Toledos said. "We are providing medical assistance and counselling to all who need it and will continue to pay our staff while the plant remains closed as we don't want them to suffer any further hardship. We will do everything we can to help the family of our employee who died in the shooting."

The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 15: Experiment 2 (B) Crisis Event

AUSTRALIAN BUSINESS REVIEW 13 April, 2010

Army Contract in Question Following Bribery Allegations

By Michael Tunsley

BellaFoods may have its multi-million dollar contract to supply the Australian Army with prepackaged food put under review, following allegations today that the company recently dismissed a senior manager for professional misconduct.

While the Australian Army refused to comment on the status of the contract, sources within the Army suggested it may put its five year contract with BellaFoods under review following allegations that the company has breached the probity provisions in its contract.

The contract, signed in January, is believed to represent a significant portion of BellaFoods business and saw the company add 200 workers to its production lines.

Allegations have been rife within the food manufacturing industry in the last week that BellaFoods National Purchasing Manager, John Taylor, 52, had been sacked for taking bribes from suppliers.

Questions have been raised about BellaFoods' internal governance procedures which allowed Mr Taylor to set up the alleged network of kickbacks. It is believed the company set up an internal investigation in March following a tip off from an employee who worked with Mr Taylor.

One employee who didn't wish to be identified said the bribery allegations were well known within the company.

"It was a pretty open secret within certain circles," he said. "We had an internal joke that you had to be one of 'Taylor's Team' to get any of BellaFoods' business. It got worse once we got the Army's contract as everyone wanted to work with us then."

Mr Taylor joined BellaFoods in 2005 having previously worked with two national supermarket chains. He has declined all requests to comment on his departure from BellaFoods.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 16: Experiment 2 (B) Deny Response

AUSTRALIAN BUSINESS REVIEW 14 April, 2010

Army Places BellaFoods Contract Under Review

By Michael Tunsley

BellaFoods could lose its multi-million dollar contract to supply the Australian Army with prepackaged food, with the company facing allegations of bribery by a former senior manager.

The Australian Army today confirmed that it had placed its five year contract with BellaFoods under review, following questions surrounding the company's internal governance procedures. An Army spokesperson confirmed that allegations had been raised that BellaFoods had breached the probity provisions in its contract.

"All suppliers to the Army are expected to operate at a high standard of ethical practice and questions have been raised about BellaFoods' performance under its contract. It is important that these allegations are investigated fully."

Allegations have been rife within the food manufacturing industry in the last week that BellaFoods National Contracts Manager, John Taylor, 52, had been sacked for taking bribes from suppliers.

Questions have been raised about BellaFoods' internal governance procedures which allowed Mr Taylor to set up the alleged network of kickbacks.

BellaFoods CEO, Mr Jonathan Toledos denied his company was responsible in any way for the actions of Mr Taylor.

"Whatever Mr Taylor did, he did all on his own. He is the only person you should be asking about this," Mr Toledos said. "We knew nothing of his actions. We enforce the highest level of ethical practice in all of our business dealings. None of this is our fault."

The Brisbane based company manufactures preprepared meals for domestic and export markets. The contract is believed to represent a significant portion of BellaFoods business and saw the company add 200 workers to its production lines.

Appendix 17: Experiment 2 (B) Diminish Response

AUSTRALIAN BUSINESS REVIEW 14 April, 2010

Army Places BellaFoods Contract Under Review

By Michael Tunsley

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"All suppliers to the Army are expected to operate at a high standard of ethical practice and questions have been raised about BellaFoods' performance under its contract. It is important that these allegations are investigated fully."

Allegations have been rife within the food manufacturing industry in the last week that BellaFoods National Contracts Manager, John Taylor, 52, had been sacked for taking bribes from suppliers.

Questions have been raised about BellaFoods' internal governance procedures which allowed Mr Taylor to set up the alleged network of kickbacks.

BellaFoods CEO, Mr Jonathan Toledos said that the bribery allegations were an unfortunate accident that could have happened to any organisation.

"We never intended for this to occur," Mr Toledos said. "We require all our employees to meet the highest ethical standards at all time, but unfortunately sometimes things just happen when individuals are involved."

The Brisbane based company manufactures preprepared meals for domestic and export markets. The contract is believed to represent a significant portion of BellaFoods business and saw the company add 200 workers to its production lines.

Appendix 18: Experiment 2(B) Deal Response

AUSTRALIAN BUSINESS REVIEW 14 April, 2010

Army Places BellaFoods Contract Under Review

By Michael Tunsley

BellaFoods could lose its multi-million dollar contract to supply the Australian Army with prepackaged food, with the company facing allegations of bribery by a former senior manager.

The Australian Army today confirmed that it had placed its five year contract with BellaFoods under review, following questions surrounding the company's internal governance procedures. An Army spokesperson confirmed that allegations had been raised that BellaFoods had breached the probity provisions in its contract.

"All suppliers to the Army are expected to operate at a high standard of ethical practice and questions have been raised about BellaFoods' performance under its contract. It is important that these allegations are investigated fully."

Allegations have been rife within the food manufacturing industry in the last week that BellaFoods National Contracts Manager, John Taylor, 52, had been sacked for taking bribes from suppliers. Questions have been raised about BellaFoods' internal governance procedures which allowed Mr Taylor to set up the alleged network of kickbacks.

BellaFoods CEO, Mr Jonathan Toledos said that the company's immediate focus was on co-operating fully with the Army in its review as well as working with its suppliers and employees.

"We all want to know exactly how this happened but right now, we just want to ensure the needs of all of those involved are taken care of," Mr Toledos said. "We will look to compensate any group that may have suffered a loss through this process. This has also been a stressful time for our employees. In some cases, their work has been questioned and a number of others believe their future employment may be at risk. We will provide support to all who need it."

The Brisbane based company manufactures preprepared meals for domestic and export markets. The contract is believed to represent a significant portion of BellaFoods business and saw the company add 200 workers to its production lines.

Appendix 19: Experiment 3 Crisis Event (A)

AUSTRALIAN BUSINESS REVIEW 16 August, 2010

Army Contract in Question Following Bribery Allegations

By Michael Tunsley

BellaFoods may have its multi-million dollar contract to supply the Australian Army with prepackaged food put under review, following allegations today that the company recently dismissed a senior manager for professional misconduct.

While the Australian Army refused to comment on the status of the contract, sources within the Army suggested it may put its five year contract with BellaFoods under review following allegations that the company has breached the probity provisions in its contract.

The contract, signed in March, is believed to represent a significant portion of BellaFoods business and saw the company add 200 workers to its production lines.

Allegations have been rife within the food manufacturing industry in the last week that BellaFoods National Purchasing Manager, John Taylor, 52, had been sacked for taking bribes from suppliers.

Questions have been raised about BellaFoods' internal governance procedures which allowed Mr Taylor to set up the alleged network of kickbacks. It is believed the company set up an internal investigation in June following a tip off from an employee who worked with Mr Taylor.

One employee who didn't wish to be identified said the bribery allegations were well known within the company.

"It was a pretty open secret within certain circles," he said. "We had an internal joke that you had to be one of 'Taylor's Team' to get any of BellaFoods' business. It got worse once we got the Army's contract as everyone wanted to work with us then."

Mr Taylor joined BellaFoods in 2005 having previously worked with two national supermarket chains. He has declined all requests to comment on his departure from BellaFoods.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 20: Experiment 3(A) Ingratiation Response

AUSTRALIAN BUSINESS REVIEW 17 August, 2010

Army Places BellaFoods Contract Under Review

By Michael Tunsley

BellaFoods could lose its multi-million dollar contract to supply the Australian Army with prepackaged food, with the company facing allegations of bribery by a former senior manager.

The Australian Army today confirmed that it had placed its five year contract with BellaFoods under review, following questions surrounding the company's internal governance procedures. An Army spokesperson confirmed that allegations had been raised that BellaFoods had breached the probity provisions in its contract.

"All suppliers to the Army are expected to operate at a high standard of ethical practice and questions have been raised about BellaFoods' performance under its contract. It is important that these allegations are investigated fully."

Allegations have been rife within the food manufacturing industry in the last week that BellaFoods National Contracts Manager, John Taylor, 52, had been sacked for taking bribes from suppliers.

Questions have been raised about BellaFoods' internal governance procedures which allowed Mr Taylor to set up the alleged network of kickbacks.

BellaFoods CEO, Mr Jonathan Toledos said that his company had always been a strong supporter of the community and had always tried to work towards improving the environment in which the company operates.

"I would like to thank all those who are supporting our company in what is a difficult time," Mr Toledos said. "We have always tried to get involved in our community and support those who needed our assistance."

The Brisbane based company manufactures preprepared meals for domestic and export markets. The contract is believed to represent a significant portion of BellaFoods business and saw the company add 200 workers to its production lines.

Appendix 21: Experiment 3(A) Compensation Response

AUSTRALIAN BUSINESS REVIEW 17 August, 2010

Army Places BellaFoods Contract Under Review

By Michael Tunsley

BellaFoods could lose its multi-million dollar contract to supply the Australian Army with prepackaged food, with the company facing allegations of bribery by a former senior manager.

The Australian Army today confirmed that it had placed its five year contract with BellaFoods under review, following questions surrounding the company's internal governance procedures. An Army spokesperson confirmed that allegations had been raised that BellaFoods had breached the probity provisions in its contract.

"All suppliers to the Army are expected to operate at a high standard of ethical practice and questions have been raised about BellaFoods' performance under its contract. It is important that these allegations are investigated fully."

Allegations have been rife within the food manufacturing industry in the last week that BellaFoods National Contracts Manager, John Taylor, 52, had been sacked for taking bribes from suppliers. Questions have been raised about BellaFoods' internal governance procedures which allowed Mr Taylor to set up the alleged network of kickbacks.

BellaFoods CEO, Mr Jonathan Toledos said that the company's immediate focus was on co-operating fully with the Army in its review as well as working with its suppliers and employees.

"We all want to know exactly how this happened but right now, we just want to ensure the needs of all of those involved are taken care of," Mr Toledos said. "We will look to compensate any group that may have suffered a loss through this process. This has also been a stressful time for our employees. In some cases, their work has been questioned and a number of others believe their future employment may be at risk. We will provide support to all who need it."

The Brisbane based company manufactures preprepared meals for domestic and export markets. The contract is believed to represent a significant portion of BellaFoods business and saw the company add 200 workers to its production lines.

Appendix 22: Experiment 3(A) Apology Response

AUSTRALIAN BUSINESS REVIEW 17 August, 2010

Army Places BellaFoods Contract Under Review

By Michael Tunsley

BellaFoods could lose its multi-million dollar contract to supply the Australian Army with prepackaged food, with the company facing allegations of bribery by a former senior manager.

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Questions have been raised about BellaFoods' internal governance procedures which allowed Mr Taylor to set up the alleged network of kickbacks.

BellaFoods CEO, Mr Jonathan Toledos said that the company took full responsibility for the bribery case arising.

"We take full responsibility for this incident and sincerely apologise to the Australian Army and anyone else who has been impacted by these events," Mr Toledos said. "We hope we can be forgiven for our mistake and can now move forward."

The Brisbane based company manufactures preprepared meals for domestic and export markets. The contract is believed to represent a significant portion of BellaFoods business and saw the company add 200 workers to its production lines.

Appendix 23: Experiment 3(B) Crisis Event

AUSTRALIAN BUSINESS REVIEW 14 September, 2010

Focus on Preventable Food Mix Up in Aged Care Death

By Michael Tunsley

Authorities are investigating the death of a resident in a Brisbane aged care facility following concerns that a local food manufacturer failed to prevent the wrong ingredients being put in meals which led to severe allergic reactions when the meals were consumed.

Three other residents of the Three Hill Aged Care Facility in Springsure were also hospitalised last week following the luncheon service at the facility on Thursday.

The Department of Health confirmed today that they have been in contact with BellaFoods, the supplier of pre-packaged food to the facility. The Department has requested information on BellaFoods' internal controls for the production of a range of products including those which contain additives that may cause allergic reactions in some members of the population.

Particular focus is on how the company prevents the wrong ingredients being used in the specialist production lines.

BellaFoods manufactures the food for the Three Hill centre at its Rocklea plant in Brisbane. An employee at the Rocklea plant who didn't wish to be identified said that a number of inspectors visited the plant yesterday, and held meetings with management and staff and appeared to be interested in the production records of the special meals part of the facility.

"No one told us what was really going on but there was a lot of extra activity in the plant yesterday," he said. "We produce special meals for people with allergies and there is a rumour going around that there was a breakdown in our procedures which are designed to prevent the wrong ingredients being added and someone put a food additive in the wrong processing line."

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 24: Experiment 3(B) Ingratiation Response

AUSTRALIAN BUSINESS REVIEW 15 September, 2010

BellaFoods Fails to Prevent Food Mix Up

By Michael Tunsley

BellaFoods' production of prepackaged food for people with allergies has been suspended while the Queensland Department of Health investigates the company's link to the death of an elderly resident of an aged care facility last week.

The Department confirmed today that it had issued a temporary suspension order over the Brisbane-based company while it investigated whether the company failed to prevent the wrong ingredients being used in one of the company's key production lines.

"Effective procedures should be in place to prevent any mix up of ingredients in a food line," a Departmental spokesperson said. "Our initial investigations suggest that BellaFoods failed to prevent this in one of its key production lines.

"While it is still early in our investigations, we believe that one of BellaFoods' employees may have allowed a food additive to be put into the production line which makes special meals for people with allergies," he said. "This could have serious consequences for people with allergies, particularly those whose health is already compromised through age or illness so we need to be clear about the company's procedures for preventing such an occurrence before we allow BellaFoods to resume production."

BellaFoods CEO, Mr Jonathan Toledos said that his company had always been a strong supporter of the community and had always tried to work towards improving the environment in which the company operates.

"I would like to thank all those who are supporting our company in what is a difficult time," Mr Toledos said. "We have always tried to get involved in our community and support those who needed our assistance."

The Brisbane based company manufactures preprepared meals for domestic and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 25: Experiment 3(B) Compassion Response

AUSTRALIAN BUSINESS REVIEW 15 September, 2010

BellaFoods Fails to Prevent Food Mix Up

By Michael Tunsley

BellaFoods' production of prepackaged food for people with allergies has been suspended while the Queensland Department of Health investigates the company's link to the death of an elderly resident of an aged care facility last week.

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"While it is still early in our investigations, we believe that one of BellaFoods' employees may have allowed a food additive to be put into the production line which makes special meals for people with allergies," he said. "This could have serious consequences for people with allergies, particularly those whose health is already compromised through age or illness so we need to be clear about the company's procedures for preventing such an occurrence before we allow BellaFoods to resume production."

BellaFoods CEO, Mr Jonathan Toledos said that the company's immediate focus was on co-operating fully with the Health Department as well as working with its employees.

"We all want to know exactly how this happened but right now, we just want to ensure the needs of all of those involved are taken care of," Mr Toledos said. "We will look to compensate anyone who may have suffered a loss through this process, particularly any of the residents of the Three Hill facility or their families. This has also been a stressful time for our employees. In some cases, their work has been questioned and a number of others believe their future employment may be at risk. We will provide support to all who need it."

The Brisbane-based company manufactures preprepared meals for domestic and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 26: Experiment 3(B) Apology Response

AUSTRALIAN BUSINESS REVIEW 15 September, 2010

BellaFoods Fails to Prevent Food Mix Up

By Michael Tunsley

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BellaFoods CEO, Mr Jonathan Toledos said that the company took full responsibility for the food safety case arising.

"We take full responsibility for this incident and sincerely apologise to the residents of the Three Hill facility and their families and anyone else who has been impacted by these events," Mr Toledos said. "We hope we can be forgiven for our mistake and can now move forward."

The Brisbane-based company manufactures preprepared meals for domestic and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 27: Experiment 4 Crisis Event

AUSTRALIAN BUSINESS REVIEW 23 August, 2011

Accident at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following an accident at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as emergency vehicles rushed to the site following an explosion at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the cause of the explosion, it is believed that a food preparation vat exploded under high pressure, killing the operator of the vat and injuring nearby workers.

The name of the deceased employee has not been released. Three employees were taken to hospital with severe burns while others were treated on site for abrasions and minor burns.

The site was immediately evacuated following the accident with the plant's more than 150 workers spilling out into Lassiter Street, Rocklea. One employee who didn't wish to be identified said the explosion happened just after shift change.

"We had just started the late shift when suddenly there was a large bang and the whole building shook," he said. "There was steam everywhere and people started screaming and I just ran as fast as I could to get out."

It is understood that the plant will remain closed today with investigations into the cause of the accident set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 28: Experiment 4 Not Responsible

AUSTRALIAN BUSINESS REVIEW 21 September, 2011

BellaFoods Not Responsible in Tank Accident Death

By Michael Tunsley

An official report from Workplace Health and Safety Queensland has found Bellafoods not responsible for the death of one of its employees in a tank explosion last month.

A tank used to process food under high pressure exploded at the Rocklea plant of BellaFoods, killing its operator and injuring a number of others.

The report said that a number of investigations were undertaken to look for the cause of the explosion.

"Following these investigations, we find that BellaFoods is not at all responsible for the death of the tank operator and for the injuries sustained by three other employees," the report says.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 29: Experiment 4 Fully Responsible

AUSTRALIAN BUSINESS REVIEW 21 September, 2011

BellaFoods Fully Responsible in Tank Accident Death

By Michael Tunsley

An official report from Workplace Health and Safety Queensland has found Bellafoods fully responsible in the death of one of its employees in a tank explosion last month.

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The report said that a number of investigations were undertaken to look for the cause of the explosion.

"Following these investigations, we find that BellaFoods is fully responsible for the death of the tank operator and for the injuries sustained by three other employees," the report says.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 30: Experiment 5 Crisis Event and Control

AUSTRALIAN BUSINESS REVIEW 22 March, 2011

Accident at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following an accident at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as emergency vehicles rushed to the site following an explosion at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the cause of the explosion, it is believed that a food preparation vat exploded under high pressure, killing the operator of the vat and injuring nearby workers.

The name of the deceased employee has not been released. Three employees were taken to hospital with severe burns while others were treated on site for abrasions and minor burns.

The site was immediately evacuated following the accident with the plant's more than 150 workers spilling out into Lassiter Street, Rocklea. One employee who didn't wish to be identified said the explosion happened just after shift change.

"We had just started the late shift when suddenly there was a large bang and the whole building shook," he said. "There was steam everywhere and people started screaming and I just ran as fast as I could to get out."

It is understood that the plant will remain closed today with investigations into the cause of the accident set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 31: Experiment 5 Positive Community Relationships

AUSTRALIAN BUSINESS REVIEW 15 March, 2011

BELLA FOODS

BellaFoods Pty Ltd produces a wide range of preprepared meals for the retail and wholesale sectors. Based in Brisbane, Queensland, the company has manufacturing plants in Brisbane, Cairns and Melbourne and employs just under 2,000 people. BellaFoods products are marketed in Australia, Asia and Europe under the label, Bella. Its marketing strategy highlights its use of all Australian produce. Apart from its retail and corporate catering activities, the company also manufactures products for two other major food companies for sale in the domestic and export markets. BellaFoods was started by siblings, Jonathan and Isabella Toledos. Jonathan is the Chief Executive Officer and Isabella is the National Marketing Director.

BellaFoods has been praised by community leaders for its contributions to the communities in which it operates. It provides annual scholarships to disadvantaged university students to further their studies in business and encourages staff to volunteer with community groups. BellaFoods also donates food each week to three charity-operated food kitchens for Brisbane residents in need.

Appendix 32: Experiment 5 Event and Positive Community Relationships

AUSTRALIAN BUSINESS REVIEW 22 March, 2011

Accident at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following an accident at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as emergency vehicles rushed to the site following an explosion at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the cause of the explosion, it is believed that a food preparation vat exploded under high pressure, killing the operator of the vat and injuring nearby workers.

The name of the deceased employee has not been released. Three employees were taken to hospital with severe burns while others were treated on site for abrasions and minor burns.

The site was immediately evacuated following the accident with the plant's more than 150 workers spilling out into Lassiter Street, Rocklea. One employee who didn't wish to be identified said the explosion happened just after shift change.

"We had just started the late shift when suddenly there was a large bang and the whole building shook," he said. "There was steam everywhere and people started screaming and I just ran as fast as I could to get out."

It is understood that the plant will remain closed today with investigations into the cause of the accident set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office. BellaFoods has been praised by community leaders for its contributions to the communities in which it operates. It provides annual scholarships to disadvantaged university students to further their studies in business and encourages staff to volunteer with community groups. BellaFoods also donates food each week to three charity-operated food kitchens for Brisbane residents in need.

Appendix 33: Experiment 5 Negative Community Relationships

AUSTRALIAN BUSINESS REVIEW 15 March, 2011

BELLA FOODS

BellaFoods Pty Ltd produces a wide range of preprepared meals for the retail and wholesale sectors. Based in Brisbane, Queensland, the company has manufacturing plants in Brisbane, Cairns and Melbourne and employs just under 2,000 people. BellaFoods products are marketed in Australia, Asia and Europe under the label, Bella. Its marketing strategy highlights its use of all Australian produce. Apart from its retail and corporate catering activities, the company also manufactures products for two other major food companies for sale in the domestic and export markets. BellaFoods was started by siblings, Jonathan and Isabella Toledos. Jonathan is the Chief Executive Officer and Isabella is the National Marketing Director.

BellaFoods has been criticised by community leaders for its lack of support for the communities in which it operates. It has frequently refused requests to participate in community programs including scholarships to support disadvantaged youth and does not encourage staff to volunteer for community related activities. BellaFoods has also recently been criticised for refusing to participate in a program where food manufacturers donate food to charity operated food kitchens.

Appendix 34: Experiment 5 Crisis Event and Negative Community Relationships

AUSTRALIAN BUSINESS REVIEW 22 March, 2011

Accident at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following an accident at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as emergency vehicles rushed to the site following an explosion at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the cause of the explosion, it is believed that a food preparation vat exploded under high pressure, killing the operator of the vat and injuring nearby workers.

The name of the deceased employee has not been released. Three employees were taken to hospital with severe burns while others were treated on site for abrasions and minor burns.

The site was immediately evacuated following the accident with the plant's more than 150 workers spilling out into Lassiter Street, Rocklea. One employee who didn't wish to be identified said the explosion happened just after shift change.

"We had just started the late shift when suddenly there was a large bang and the whole building shook," he said. "There was steam everywhere and people started screaming and I just ran as fast as I could to get out."

It is understood that the plant will remain closed today with investigations into the cause of the accident set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office. BellaFoods has been criticised by community leaders for its lack of support for the communities in which it operates. It has frequently refused requests to participate in community programs including scholarships to support disadvantaged youth and does not encourage staff to volunteer for community related activities. BellaFoods has also recently been criticised for refusing to participate in a program where food manufacturers donate food to charity operated food kitchens.

Appendix 35: Experiment 5 Mature Age

AUSTRALIAN BUSINESS REVIEW 15 March, 2011

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Appendix 36: Experiment 5 Crisis Event and Mature Age

AUSTRALIAN BUSINESS REVIEW 22 March, 2011

Accident at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following an accident at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as emergency vehicles rushed to the site following an explosion at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the cause of the explosion, it is believed that a food preparation vat exploded under high pressure, killing the operator of the vat and injuring nearby workers.

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"We had just started the late shift when suddenly there was a large bang and the whole building shook," he said. "There was steam everywhere and people started screaming and I just ran as fast as I could to get out."

It is understood that the plant will remain closed today with investigations into the cause of the accident set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office. The company has been in operation for 20 years.

Appendix 37: Experiment 5 New Age

AUSTRALIAN BUSINESS REVIEW 15 March, 2011

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Appendix 38: Experiment 5 Crisis Event and New Age

AUSTRALIAN BUSINESS REVIEW 22 March, 2011

Accident at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following an accident at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as emergency vehicles rushed to the site following an explosion at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the cause of the explosion, it is believed that a food preparation vat exploded under high pressure, killing the operator of the vat and injuring nearby workers.

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It is understood that the plant will remain closed today with investigations into the cause of the accident set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office. The company has been in operation for three years.

Appendix 39: Experiment 6 Victim Event

AUSTRALIAN BUSINESS REVIEW 7 March, 2012

Shooting at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following a shooting at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as police and emergency vehicles rushed to the site following sounds of gunfire at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the details of the shooting, it is believed that a former employee entered the premises around 4.00pm, proceeded to the production line and shot his former supervisor and two of his fellow workers. After a 30 minute standoff with police, a man was taken into custody.

The name of the deceased employee has not been released. Three employees were taken to hospital, two with gunshot wounds and one suffering from a suspected heart attack. Others were treated on site for shock.

The site was immediately evacuated following the shooting with the plant's more than 150 workers spilling out into Lassiter Street, Rocklea. One employee who didn't wish to be identified said the shooting happened just after shift change.

"We had just started the late shift when we heard a loud noise that sounded like shots being fired," he said. "There was steam everywhere as one of the bullets went through a high pressure pipe and people started screaming and I just ran as fast as I could to get out."

It is understood that the plant will remain closed today with investigations into the cause of the shooting set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 40: Experiment 6 Victim Event Deny Response

AUSTRALIAN BUSINESS REVIEW 8 March, 2012

Former Employee Kills Supervisor in Factory Shooting: BellaFoods Denies Responsibility

By Michael Tunsley

Police have charged a 45 year old man from the Brisbane suburb of Sherwood with murder, attempted murder and grievous bodily harm over the shootings at the Rocklea plant of BellaFoods on Tuesday. One person was killed in the shooting and three others were taken to hospital, two with gunshot wounds and one suffering a suspected heart attack.

Detective Superintendent Bruce Hawker said that the shooting happened shortly after 4.15pm on Tuesday, when the man, a former employee of BellaFoods who had been dismissed from the company recently, entered the premises and shot his former supervisor and two colleagues on the production line.

"Our investigations are ongoing but we can confirm that the man entered the premises with the firearm before proceeding to the production line," Detective Hawker said. "At this stage we do not know the motive behind the shooting."

BellaFoods CEO, Mr Jonathan Toledos denied his company was responsible in any way for the shootings and said that he was confident the police would find nothing in the company's operations or safety procedures that could have led to the shooting.

"We should all be asking questions of the man in custody," Mr Toledos said. "He is the one totally responsible for this. We enforce the highest safety levels in our plants at all times. The shooting is not our fault and we have done nothing wrong."

The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 41: Experiment 6 Victim Event, Deny Response, Mature and Positive Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 20 year history and good community relations

By Michael Tunsley

BellaFoods, the company at the centre of a shooting at its Rocklea factory, has been in operation for 20 years and has been praised by community leaders for its contributions to the communities in which it operates. It provides annual scholarships to disadvantaged university students to further their studies in business and encourages staff to volunteer with community groups. BellaFoods also donates food each week to three charity-operated food kitchens for Brisbane residents in need.

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The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 42: Experiment 6 Victim Event, Deny Response, New and Positive Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 2 year history and good community relations

By Michael Tunsley

BellaFoods, the company at the centre of a shooting at its Rocklea factory, has been in operation for 2 years and has been praised by community leaders for its contributions to the communities in which it operates. It provides annual scholarships to disadvantaged university students to further their studies in business and encourages staff to volunteer with community groups. BellaFoods also donates food each week to three charity-operated food kitchens for Brisbane residents in need.

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The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 43: Experiment 6 Victim Event, Deny Response, Mature and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 20 year history and poor community relations

By Michael Tunsley

BellaFoods, the company at the centre of a shooting at its Rocklea factory, has been in operation for 20 years and has been criticised by community leaders for its lack of support for the communities in which it operates. It has frequently refused requests to participate in community programs including scholarships to support disadvantaged youth and does not encourage staff to volunteer for community related activities. BellaFoods has also recently been criticised for refusing to participate in a program where food manufacturers donate food to charity operated food kitchens.

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The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 44: Experiment 6 Victim Event, Deny Response, New and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 2 year history and poor community relations

By Michael Tunsley

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The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 45: Experiment 6 Victim Event, Diminish Response

AUSTRALIAN BUSINESS REVIEW 8 March, 2012

Former Employee Kills Supervisor in Factory Shooting: BellaFoods Says Tragic Event Never Intended

By Michael Tunsley

Police have charged a 45 year old man from the Brisbane suburb of Sherwood with murder, attempted murder and grievous bodily harm over the shootings at the Rocklea plant of BellaFoods on Tuesday. One person was killed in the shooting and three others were taken to hospital, two with gunshot wounds and one suffering a suspected heart attack.

Detective Superintendent Bruce Hawker said that the shooting happened shortly after 4.15pm on Tuesday, when the man, a former employee of BellaFoods who had been dismissed from the company recently, entered the premises and shot his former supervisor and two colleagues on the production line.

"Our investigations are ongoing but we can confirm that the man entered the premises with the firearm before proceeding to the production line," Detective Hawker said. "At this stage we do not know the motive behind the shooting."

BellaFoods CEO, Mr Jonathan Toledos said that the shooting was a tragic event that could have happened to any organisation.

"We take all safety precautions in our factories but unfortunately sometimes tragic events happen when people are involved," Mr Toledos said. "We never intended for this to happen."

The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 46: Experiment 6 Victim Event, Diminish Response, Mature and Positive Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 20 year history and good community relations

By Michael Tunsley

BellaFoods, the company at the centre of a shooting at its Rocklea factory, has been in operation for 20 years and has been praised by community leaders for its contributions to the communities in which it operates. It provides annual scholarships to disadvantaged university students to further their studies in business and encourages staff to volunteer with community groups. BellaFoods also donates food each week to three charity-operated food kitchens for Brisbane residents in need.

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“We take all safety precautions in our factories but unfortunately sometimes tragic events happen when people are involved,” Mr Toledos said. “We never intended for this to happen.”

The deceased worker’s details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 47: Experiment 6 Victim Event, Diminish Response, New and Positive Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 2 year history and good community relations

By Michael Tunsley

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"We take all safety precautions in our factories but unfortunately sometimes tragic events happen when people are involved," Mr Toledos said. "We never intended for this to happen."

The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 48: Experiment 6 Victim Event, Diminish Response, Mature and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 20 year history and poor community relations

By Michael Tunsley

BellaFoods, the company at the centre of a shooting at its Rocklea factory, has been in operation for 20 years and has been criticised by community leaders for its lack of support for the communities in which it operates. It has frequently refused requests to participate in community programs including scholarships to support disadvantaged youth and does not encourage staff to volunteer for community related activities. BellaFoods has also recently been criticised for refusing to participate in a program where food manufacturers donate food to charity operated food kitchens.

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“We take all safety precautions in our factories but unfortunately sometimes tragic events happen when people are involved,” Mr Toledos said. “We never intended for this to happen.”

The deceased worker’s details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 49: Experiment 6 Victim Event, Diminish Response, New and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 2 year history and poor community relations

By Michael Tunsley

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The deceased worker’s details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 50: Experiment 6 Victim Event, Deal Response

AUSTRALIAN BUSINESS REVIEW 8 March, 2012

Former Employee Kills Supervisor in Factory Shooting: BellaFoods says Focus on Helping Employees/Families

By Michael Tunsley

Police have charged a 45 year old man from the Brisbane suburb of Sherwood with murder, attempted murder and grievous bodily harm over the shootings at the Rocklea plant of BellaFoods on Tuesday. One person was killed in the shooting and three others were taken to hospital, two with gunshot wounds and one suffering a suspected heart attack.

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"Our investigations are ongoing but we can confirm that the man entered the premises with the firearm before proceeding to the production line," Detective Hawker said. "At this stage we do not know the motive behind the shooting."

BellaFoods CEO, Mr Jonathan Toledos said that the company's immediate focus was on helping its injured employees and the family of the deceased man.

"We all want to know what led to the shooting but right now, we just want to take care of our people," Mr Toledos said. "We are providing medical assistance and counselling to all who need it and will continue to pay our staff while the plant remains closed as we don't want them to suffer any further hardship. We will do everything we can to help the family of our employee who died in the shooting."

The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 20 year history and good community relations

By Michael Tunsley

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The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 2 year history and good community relations

By Michael Tunsley

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The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 53: Experiment 6 Victim Event, Deal Response, Mature and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 20 year history and poor community relations

By Michael Tunsley

BellaFoods, the company at the centre of a shooting at its Rocklea factory, has been in operation for 20 years and has been criticised by community leaders for its lack of support for the communities in which it operates. It has frequently refused requests to participate in community programs including scholarships to support disadvantaged youth and does not encourage staff to volunteer for community related activities. BellaFoods has also recently been criticised for refusing to participate in a program where food manufacturers donate food to charity operated food kitchens.

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BellaFoods CEO, Mr Jonathan Toledos said that the company's immediate focus was on helping its injured employees and the family of the deceased man.

"We all want to know what led to the shooting but right now, we just want to take care of our people," Mr Toledos said. "We are providing medical assistance and counselling to all who need it and will continue to pay our staff while the plant remains closed as we don't want them to suffer any further hardship. We will do everything we can to help the family of our employee who died in the shooting."

The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 54: Experiment 6 Victim Event, Deal Response, New and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Shooting at company with 2 year history and poor community relations

By Michael Tunsley

BellaFoods, the company at the centre of a shooting at its Rocklea factory, has been in operation for 2 years and has been criticised by community leaders for its lack of support for the communities in which it operates. It has frequently refused requests to participate in community programs including scholarships to support disadvantaged youth and does not encourage staff to volunteer for community related activities. BellaFoods has also recently been criticised for refusing to participate in a program where food manufacturers donate food to charity operated food kitchens.

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The deceased worker's details have not been released. Three other employees remain in hospital following the shooting.

The BellaFoods plant remained closed today while investigations continue into the shooting. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 55: Experiment 6 Accident Event

AUSTRALIAN BUSINESS REVIEW 7 March, 2012

Accident at Food Plant Kills One

By Michael Tunsley

One person is confirmed dead and three others have been hospitalised following an accident at a food manufacturing plant at Rocklea yesterday.

Afternoon traffic was thrown into chaos as police and emergency vehicles rushed to the site following an explosion at the BellaFoods manufacturing plant at 4.15pm. While there has been no confirmation from authorities as to the cause of the explosion, it is believed that a food preparation vat exploded under high pressure, killing the operator of the vat and injuring nearby workers.

The name of the deceased employee has not been released. Three employees were taken to hospital with severe burns while others were treated on site for abrasions and minor burns.

The site was immediately evacuated following the accident with the plant's more than 150 workers spilling out into Lassiter Street, Rocklea. One employee who didn't wish to be identified said the explosion happened just after shift change.

"We had just started the late shift when suddenly there was a large bang and the whole building shook," he said. "There was steam everywhere and people started screaming and I just ran as fast as I could to get out."

It is understood that the plant will remain closed today with investigations into the cause of the accident set to start immediately.

BellaFoods manufactures preprepared meals for the Australian and export markets. The Brisbane plant is one of three in Australia and also houses the company's head office.

Appendix 56: Experiment 6 Accident Event, Deny Response

AUSTRALIAN BUSINESS REVIEW 8 March, 2012

Employee Killed in Tank Accident: BellaFoods Denies Responsibility

By Michael Tunsley

Police have confirmed that a tank used to process food under high pressure exploded on Tuesday at the Rocklea plant of BellaFoods, killing one person and seriously injuring three others.

Detective Superintendent Bruce Hawker said that the accident happened shortly after 4.15pm on Tuesday, with the exploding tank killing its operator and injuring a number of others.

"Our investigations are focusing on the tank at present and what led to the accident," Detective Hawker said. "We are checking all maintenance records at the plant as well as the previous shift reports to see if anything can be identified that might have caused the explosion."

BellaFoods CEO, Mr Jonathan Toledos denied his company was responsible in any way for the explosion and said that he was confident the police would find nothing in the company's operations or safety procedures that could have led to the explosion.

"We should all be asking questions of the people who made the tank," Mr Toledos said. "They are the ones totally responsible for this. We enforce the highest safety levels in our plants at all times. The explosion is not our fault and we have done nothing wrong."

The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the accident. The Brisbane based company manufactures preprepared meals for domestic and export markets.

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Accident at company with 20 year history and good community relations

By Michael Tunsley

BellaFoods, the company at the centre of an explosion at its Rocklea factory, has been in operation for 20 years and has been praised by community leaders for its contributions to the communities in which it operates. It provides annual scholarships to disadvantaged university students to further their studies in business and encourages staff to volunteer with community groups. BellaFoods also donates food each week to three charity-operated food kitchens for Brisbane residents in need.

Police have confirmed that a tank used to process food under high pressure exploded on Tuesday at the Rocklea plant of BellaFoods. One person was killed in the accident and three others were taken to hospital suffering serious injuries.

Detective Superintendent Bruce Hawker said that investigations into the accident were ongoing and were focusing on the tank and what led to the explosion.

BellaFoods CEO, Mr Jonathan Toledos denied his company was responsible in any way for the explosion and said that he was confident the police would find nothing in the company's operations or safety procedures that could have led to the explosion.

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The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the accident. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 58: Experiment 6 Accident Event, Deny Response, New and Positive Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Accident at company with 2 year history and good community relations

By Michael Tunsley

BellaFoods, the company at the centre of an explosion at its Rocklea factory, has been in operation for 2 years and has been praised by community leaders for its contributions to the communities in which it operates. It provides annual scholarships to disadvantaged university students to further their studies in business and encourages staff to volunteer with community groups. BellaFoods also donates food each week to three charity-operated food kitchens for Brisbane residents in need.

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The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the accident. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 59: Experiment 6 Accident Event, Deny Response, Mature and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Accident at company with 20 year history and poor community relations

By Michael Tunsley

BellaFoods, the company at the centre of an explosion at its Rocklea factory, has been in operation for 20 years and has been criticised by community leaders for its lack of support for the communities in which it operates. It has frequently refused requests to participate in community programs including scholarships to support disadvantaged youth and does not encourage staff to volunteer for community related activities. BellaFoods has also recently been criticised for refusing to participate in a program where food manufacturers donate food to charity operated food kitchens.

Police have confirmed that a tank used to process food under high pressure exploded on Tuesday at the Rocklea plant of BellaFoods. One person was killed in the accident and three others were taken to hospital suffering serious injuries.

Detective Superintendent Bruce Hawker said that investigations into the accident were ongoing and were focusing on the tank and what led to the explosion.

BellaFoods CEO, Mr Jonathan Toledos denied his company was responsible in any way for the explosion and said that he was confident the police would find nothing in the company's operations or safety procedures that could have led to the explosion.

"We should all be asking questions of the people who made the tank," Mr Toledos said. "They are the ones totally responsible for this. We enforce the highest safety levels in our plants at all times. The explosion is not our fault and we have done nothing wrong."

The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the accident. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 60: Experiment 6 Accident Event, Deny Response, New and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Accident at company with 2 year history and poor community relations

By Michael Tunsley

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Appendix 61: Experiment 6 Accident Event, Diminish Response

AUSTRALIAN BUSINESS REVIEW 8 March, 2012

Employee Killed in Tank Accident: BellaFoods Says Tragic Event Never Intended

By Michael Tunsley

Police have confirmed that a tank used to process food under high pressure exploded on Tuesday at the Rocklea plant of BellaFoods, killing one person and seriously injuring three others.

Detective Superintendent Bruce Hawker said that the accident happened shortly after 4.15pm on Tuesday, with the exploding tank killing its operator and injuring a number of others.

"Our investigations are focusing on the tank at present and what led to the accident," Detective Hawker said. "We are checking all maintenance records at the plant as well as the previous shift reports to see if anything can be identified that might have caused the explosion."

BellaFoods CEO, Mr Jonathan Toledos said that the explosion was a tragic event that could have happened to any organisation.

"We take all safety precautions in our factories but unfortunately sometimes tragic events happen when you are working with machinery," Mr Toledos said. "We never intended for this to happen."

The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the accident. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 62: Experiment 6 Accident Event, Diminish Response, Mature and Positive Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

Accident at company with 20 year history and good community relations

By Michael Tunsley

BellaFoods, the company at the centre of an explosion at its Rocklea factory, has been in operation for 20 years and has been praised by community leaders for its contributions to the communities in which it operates. It provides annual scholarships to disadvantaged university students to further their studies in business and encourages staff to volunteer with community groups. BellaFoods also donates food each week to three charity-operated food kitchens for Brisbane residents in need.

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The deceased worker’s details have not been released. Three other employees remain in hospital following the explosion.

The BellaFoods plant remained closed today while investigations continue into the accident. The Brisbane based company manufactures preprepared meals for domestic and export markets.

Appendix 63: Experiment 6 Accident Event, Diminish Response, New and Positive Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

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The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

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Appendix 64: Experiment 6 Accident Event, Diminish Response, Mature and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

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Appendix 66: Experiment 6 Accident Event, Deal Response

AUSTRALIAN BUSINESS REVIEW 8 March, 2012

Employee Killed in Tank Accident: BellaFoods says Focus on Helping Employees/Families

By Michael Tunsley

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Detective Superintendent Bruce Hawker said that the accident happened shortly after 4.15pm on Tuesday, with the exploding tank killing its operator and injuring a number of others.

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BellaFoods CEO, Mr Jonathan Toledos said that the company's immediate focus was on helping its injured employees and the family of the deceased man.

"We all want to know what led to the explosion but right now, we just want to take care of our people," Mr Toledos said. "We are providing medical assistance and counselling to all who need it and will continue to pay our staff while the plant remains closed as we don't want them to suffer any further hardship. We will do everything we can to help the family of our employee who died in the explosion."

The deceased worker's details have not been released. Three other employees remain in hospital following the explosion.

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AUSTRALIAN BUSINESS REVIEW 9 March, 2012

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Appendix 68: Experiment 6 Accident Event, Deal Response, New and Positive Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

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Appendix 69: Experiment 6 Accident Event, Deal Response, Mature and Negative Intensifier

AUSTRALIAN BUSINESS REVIEW 9 March, 2012

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